

Fragile States Background/Issues Paper (Michael Crosswell, PPL/P August 2016)

Introduction: At the request of the office leadership, this paper is provided as background and input for an eventual USAID paper on Fragile States.¹

1. What sort of paper should USAID aim to produce?

We should initially aim for a discussion paper or white paper rather than a strategy.

- First, a strategy should guide resource allocation – across countries and within countries. There is not an identifiable pot of resources that could be predominantly governed by a fragility strategy. And, it is not good practice to try to piggy-back on resources intended for other goals and purposes.
- Second, there are basic conceptual and analytical issues surrounding fragility (not to mention bureaucratic issues.) Therefore a white paper (or other analytical background paper) is highly desirable to articulate, clarify and analyze these issues. If the analysis leads to a resolution of the issues, all the better. But it might not.
- The paper should be a discussion paper -- not binding on the agency; and subject to discussion and debate but not clearance. Primary authorship should rest with operationally disinterested policy analysts in PPL. The paper should be thoroughly vetted (but not negotiated) at various stages with operational bureaus (not just DCHA) for technical soundness, analytical integrity, and “evidence- basedness.”
- This would provide an essential foundation for an eventual strategy, policy, or vision statement -- which might otherwise become a hortatory, agreement-seeking exercise that obscures rather than resolves critical issues.

2. How did we come to be concerned with fragile states and fragility?

It is useful to start by tracing the origins of our concern with fragility. I see two separate currents of thought, with two distinct points of departure:

- During the mid-1990’s the *national security/foreign affairs community* became concerned with the problem of weak or failing states. The Failed States task force undertook an analysis that essentially concluded that the greatest risks were in poor countries with weak governance and/or facing challenges in terms of conflict and instability. This work spawned the Fragile States Index and the Alert List. This concern was reinforced in the 2002 National Security Strategy that made development (i.e. development progress, not development aid) a pillar of national security, along with defense and diplomacy.
- At about the same time, the *development/foreign aid community* became increasingly concerned with aid effectiveness and results. During the latter 1990’s, the World Bank

¹ I have benefitted greatly from exchanges with Aaron Roesch, and from his papers.

produced analysis that indicated that aid was effective in promoting growth in countries with reasonably good (or better) policies; but not in countries with weak policies. Further, aid was not effective in inducing countries to improve policy performance. Countries with weak policies were initially identified as “low-income countries under stress”, and eventually as “fragile situations”.

During the early 2000’s a similar concern with development aid effectiveness and results led AID/PPC to focus on conflict and instability to identify “fragile states” – seen as countries where standard development programs and approaches were **not** likely to yield good results. Instead, assistance should be aimed at addressing and reducing fragility, laying the groundwork for an eventual focus on medium term development. (See the 2004 USAID White Paper and the 2006 USAID Policy Framework.)

3. *Governance and Fragility: How should we think about governance, and the determinants of good governance? Is weak governance the same as weak development policy performance?*

To appreciate the distinctions among various approaches to defining and gauging fragility, an important challenge is to be a little clearer on what is meant by good governance; the determinants of good governance; and what can reasonably be expected in lower-income developing countries.² We don’t need the definitive account, but rather a view that is both credible and useful for thinking about fragility. What follows is my own take on the issue, which I believe is broadly consistent with the Fearon paper mentioned in the first footnote.³

- We can think of the *quality of governance* as depending on *resources and capacity*; and on *political will and commitment*.
 - Resources and capacity are relatively limited in poor countries, but gradually increase with development progress (virtually by definition of development progress).⁴
 - Political will (to use available resources and capacity to good effect) arguably does **not** depend on level of development. It can be strong or weak at all levels of development. (consider Rwanda and Venezuela)
 - Governance is multi-dimensional. For instance, Worldwide Governance Indicators reports on six dimensions of governance – voice and accountability;

² Resources might include: “Governance and Civil War Onset” by James Fearon, August 2010, Background paper for the 2011 World Development Report; “Good Enough Governance Revisited” by Merilee Grindle, Harvard University, February 2005; and “What is Governance?” by Francis Fukuyama, CGD Working Paper 314, January 2013.

³ The following points are developed in more detail -- including empirical evidence -- in Crosswell (2010) “Governance, Development and Foreign Aid Policy”, presented at the 2010 Oxford Business and Economics Conference, Oxford University, UK, and available at http://pdf.usaid.gov/pdf_docs/pbaad523.pdf

⁴ “Resources” include financial resources as represented by Gross National Income per capita; human resources; infrastructure and other physical capital; access to technology; “connectivity”, etc. “Capacity” is shorthand for institutional capacity.

instability and violence; control of corruption; rule of law; effective provision of public services; and regulatory quality.

- Some dimensions of governance are more resource and capacity intensive than other. For instance, per capita income is only weakly correlated with voice and accountability scores (around 0.2), whereas correlations for government effectiveness and regulatory quality are around 0.5.⁵
- Political will might be stronger for some dimensions of governance than others (e.g. voice and accountability versus government effectiveness.)
- *Policy performance* where development is concerned (as gauged in various ways by World Bank, MCC and [at various times] USAID)
 - Covers a narrower range of policies – those most pertinent to economic and social progress in relatively poor countries. (See the CPIA discussion in the Annex)
 - Ideally “corrects” or adjusts for level of development, so that poor countries with limited resources and capacity are not disadvantaged; and so that the focus is on (demonstrated) political will and commitment.⁶
- So,
 - measures of the quality of governance will tend to be significantly correlated with level of development (as represented by per capita income) insofar as resources and capacity are important;
 - Some dimensions of governance (e.g. political freedom, human rights) are much less resource and capacity intensive than others (e.g. effective provision of public services, regulatory quality, rule of law)
 - measures of development policy performance should ideally NOT be significantly correlated with per capita income because that would conflict with need criteria and complicate selectivity.⁷

4. *What are some of the common features and distinctions among various approaches to defining and gauging fragility?*

Building on the material in the Annex, here is a summary description of various approaches to defining fragility and identifying fragile states, starting with the relatively simple and straightforward approaches premised on development aid effectiveness and results; and then moving to the more complex and multidimensional approaches that flow from national security considerations and the overall quality of state performance. We also report the number of countries identified as fragile using each approach⁸:

⁵ This is for larger samples and a wider range of per capita income than considered later in this paper.

⁶ This correction can be applied by taking care to compare countries with their developmental peers; and/or by focusing on policies that do not require much in the way of resources and capacity (e.g. inflation, budget deficits, exchange rate policy...). A third approach is to run a regression of policy performance on per capita income, and identify good performers as those where performance is better than predicted by per capita income.

⁷ As discussed later, The World Bank’s Country Policy and Institutional Assessment (CPIA) is only weakly correlated with per capita income, with a correlation coefficient of 0.2. For more on this and other aspects of selectivity, see the recent Economics Brief on [Country Selectivity and Extreme Poverty](#)

⁸ In reporting the number of fragile states on each list, we ignore countries smaller than Djibouti (888,000 people) – such as Comoros, Kiribati, Marshall Islands, Micronesia, Solomon Islands, and Tuvalu. We also exclude Syria,

- a. *Original World Bank Approach* – focuses on weak policy performance using the annual Country Policy and Institutional Assessments (CPIA), with the latest scores ranging from 4.04 (Rwanda) to 1.87 (South Sudan). Countries with scores of 3.20 or less are considered fragile as are countries (currently, Somalia) where no score can be established. CPIA scores are made available only for IDA-eligible countries, so that more advanced developing countries with weak policies would not appear on this list. *This approach identifies 26 countries as fragile.*
- b. World Bank’s *Harmonized List of Fragile (and/or Conflict-Affected) Situations* (FCAS) – includes weak policy performers **and** countries subject to instability and conflict. This approach takes the average of the World Bank’s CPIA score and the CPIA score of the relevant Regional Bank -- Africa or Asia. (For Haiti, Yemen, and Kosovo, only the IBRD score is used.)⁹ The same threshold of 3.2 is applied. Further, the list includes countries with a UN and/or regional peace-keeping or peace-building mission during the past three years, including some countries for which CPIA scores are not provided. *This approach identifies 27 countries as fragile.* However, there is quite a shift in composition from the prior approach as thirteen countries appear on one list but not the other. Twenty countries are common to both lists.
- c. *USAID/PPC Approach* – relies primarily on the Worldwide Governance Indicator (WGI) for political instability and violence; and secondarily on development policy performance as gauged by the CPIA where available, and otherwise by MCC indicators. The WGI score is calculated for all countries and is reported in terms of standard deviations from a mean of zero, with negative extremes at -2.76 for Syria and -2.67 for Central African Republic. Countries with scores worse than -1.70 are considered fragile, regardless of policy performance. Countries with scores in the interval between -1.15 and -1.70 are considered fragile if they are also weak policy performers. *This approach identifies sixteen countries as fragile, all with instability and violence scores worse than -1.50.*
- d. *Fragile States Index* – is based on six social and economic indicators and six political and military indicators that make up the “Conflict Assessment System Tool” developed by the Fund for Peace. Each indicator depends on a number of sub-indicators -- an average of 14 sub-indicators for each indicator. It is clear from the capsule descriptions in the Annex that many of these indicators directly reflect a country’s level of development. Others pertain to instability and violence, development policy performance, democracy and human rights, and other dimensions of governance. *This approach identifies 36 countries as fragile states.*

Libya, and North Korea as outliers from the standpoint of development cooperation. West Bank/Gaza is not rated by FSI or the Alert List, but is presumed to meet their criteria for fragile.

⁹ In most cases (92%), the regional bank score is higher than the IBRD score. (See the latest FCAS list, not to mention the IDA CPIA scores below 3.2 for a number of countries not on that list.) Therefore, it is useful to consider both the original IBRD approach and the harmonized FCAS approach.

- e. *USAID Alert List* – is similar to the fragile states index in that it focuses on four broad dimensions of state performance and governance – economic, social, political, and security. For each dimension, state performance is considered in terms of *effectiveness* and *legitimacy*. This leads to eight groups of indicators, ranging from 3 to 7 indicators depending on the group, and with 34 indicators in all. Of these, around eight are straightforward indicators of level of development and four others would be significantly correlated with level of development. Others relate to instability and violence, development policy performance, democracy and human rights, and other aspects of governance. *This approach identifies 37 countries as fragile states.*
- f. *OECD Fragile States List* – this simply combines the FCAS and FSI lists. A country on either list is considered fragile by the OECD. *This approach characterizes 43 countries as fragile states.* Of these, 23 countries appear on only one of the two source lists, and only 20 appear on both lists. Accordingly, it comprises a relatively long list of diverse countries. Since it is simply a composite of two other lists, we do not discuss it further. Instead we focus on the five distinct approaches described above.

5. *To what extent is **fragility** synonymous with or distinct from **underdevelopment**?*

All together there are 51 countries identified as fragile by at least one of the five independent approaches. (See Annex Table I)

- a. This group includes 27 out of 30 countries identified as low-income by the World Bank. Only 3 low-income countries are not on any of the fragile states lists – Senegal, Tanzania, and Mozambique.¹⁰ This comes fairly close to equating “low-income” with “fragile”.
- b. Further, this group includes 13 (out of 20) countries with per capita incomes between \$1025 and \$2000.
- c. Combining the two groups, forty out of fifty countries with incomes below \$2000 are considered fragile by at least one of the five approaches. Thus,
 - i. 80% of lower income countries are fragile states (by one measure or another); and
 - ii. nearly 80% of fragile states are lower-income countries.

6. *To what extent is the challenge of fragility distinct from the challenge of development?*

We can make some progress in addressing this question by considering the various factors considered in each approach, and the links to level of development as represented by per capita income (in Atlas and PPP terms.)

¹⁰ Again, we are ignoring very small countries, those with populations below about 900 million. The latest (July 2016) per capita income threshold for low-income is \$1025. Senegal and Tanzania are the two countries closest to that threshold. The only non-fragile state with income below \$900 is Mozambique.

The first three approaches – devised with developmental aid effectiveness and results in mind – focus on two factors:

- Development policy performance
- Political instability and conflict.

The Fragile States Index and the Alert List – devised with overall state weakness in mind -- take these two factors into account; and also include indicators of:

- level of development;
- political rights and freedoms; and
- other dimensions of governance that may depend more heavily on resources and capacity.

To what extent are the policy, conflict, and governance indicators closely related to level of development (as represented by per capita income)? ¹¹ The table below provides correlation coefficients for per capita income, the CPIA, the WGI indicator of conflict and instability; the Alert List and Fragile States Index; two measures of political freedom (Freedom House and the WGI indicator of Voice and Accountability); and the WGI indicator of Government Effectiveness. (With apologies for the haphazard color coding – blue is weak/low; red is moderate/significant; and green is strong/high)

Correlations Among Indicators									
	PCI Atlas	PCI PPP	CPIA	Conflict	Alert List	FSIndex	Free. Hou	V&A	Gov Effec
PCI Atlas	1								
PCI PPP	0.95	1							
CPIA	0.18	0.22	1						
Conflict	0.27	0.29	0.51	1					
Alert List	-0.52	-0.54	-0.62	-0.68	1				
FSIndex	-0.45	-0.48	-0.53	-0.79	0.83	1			
Free. House	0.21	0.17	0.43	0.48	-0.47	-0.54	1		
V&A	0.16	0.10	0.49	0.42	-0.49	-0.51	0.95	1	
Gov Effec	0.36	0.43	0.80	0.60	-0.72	-0.64	0.34	0.38	1

Several observations are in order:

- The two per capita income indicators are very highly correlated. Of the two, the PPP (Purchasing Power Parity) measure would usually be considered the better indicator of

¹¹ The following discussion is based on a set of 54 countries (excluding very small countries) with CPIA, FSI, and Alert List scores as well as estimates for per capita income (which are lacking for Burma, Somalia, Djibouti, and Eritrea) The underlying data (except for the Alert List scores) are in the second Annex Table, page 22.

level of development, and is typically more highly correlated with social indicators of development.

- The CPIA is only weakly correlated with per capita income, suggesting that fragility based on that measure is *not* dependent on level of development.
- Similarly, the WGI conflict measure is weakly correlated with per capita income.
- The correlation coefficients between per capita income and the scores for the Alert List and the Fragile States Index are higher, on the order of 0.5. This is not surprising considering that both approaches explicitly consider indicators of underdevelopment and country poverty in arriving at their scores. As countries make development progress, they become less fragile (other things equal). However, this calls into question the distinction between a development goal/strategy and a fragile states goal/strategy.
- The two indicators of political freedom are only weakly correlated with per capita income. This is consistent with a view that political freedom is largely a matter of political will (which is arguably independent of level of development) rather than resources and capacity. Unlike other dimensions of governance, rights and freedoms can be established with “the stroke of a pen”.
- The WGI indicator for government effectiveness is a little more strongly correlated with per capita income, suggesting that resources and capacity play a more important role than for political freedom.

7. *How do these factors relate to one another and what role do they play in determining fragility scores?*

Moving beyond the first two columns of the correlation table, a few other relationships are worth highlighting:

- The correlation coefficient between the Alert List scores and the Fragile States Index scores is high, at 0.83. This is not surprising insofar as both approaches consider the same broad factors.
- The two measures of political freedom are very highly correlated with one another.
- The CPIA and the WGI Government Effectiveness indicator are highly correlated.
- For both the Fragile States Index and the Alert List, the five factors discussed above (development policy performance, conflict/instability, level of development, political freedom, and other governance measures) all appear to be at least moderately correlated with the fragility scores.

We can get a clearer picture of the role of various factors discussed above in determining the Alert List and FSI scores by running regressions to test the statistical significance of each factor.¹² In all of the regressions, we use per capita income in PPP terms and the WGI indicator for instability and conflict. For political freedom we use either the Freedom House score or the WGI voice and accountability score. Finally, we use either the CPIA or the WGI government effectiveness score, but not both since they are highly correlated.¹³ In sum, for each approach (FSI and Alert List) we run four regressions. In each regression we include per capita income, conflict, a political freedom indicator, and a policy/governance indicator.

¹² The regression results are contained in a spreadsheet available from me.

¹³ This creates problems of collinearity, so that statistical significance is underestimated.

For the *Alert List* scores (which are not shown in the Annex Table), the four regression equations explain about two-thirds of the variation in the scores – ranging from 65% to 68%.¹⁴ For all four equations, the per capita income, conflict, and policy/governance indicators are statistically significant. On the other hand, the political freedom indicator fails statistical significance tests in three of the four equations.¹⁵ Only in the equation that uses the WGI government effectiveness indicator and the WGI voice and accountability indicator is the political freedom indicator statistically significant.

For the *Fragile States Index* scores we get a somewhat different story. The explanatory value of the four equations is a little higher, ranging from 71 to 73%. Again, per capita income and conflict are clearly significant. However in this case the political freedom indicators are always statistically significant. On the other hand, the policy/governance indicators (CPIA or WGI government effectiveness) fall well short of significance in all cases.

All of this suggests a few conclusions that bear careful consideration and further analysis:

- For both the Alert List and the Fragile States Index, *there is a significant tendency to identify poor countries as fragile*.¹⁶
 - This makes sense insofar as limited resources and limited capacity naturally contribute to greater “fragility” (and more limited resilience).
 - However, it simultaneously raises doubts about the distinctions between a development strategy and a strategy to reduce fragility (or increase resilience).
- *Political Instability and Conflict* (as represented by WGI) is the second factor that plays a consistently important role in both the Alert List and Fragile States Index. It is at the heart of the AID/PPC approach. The FCAS approach also takes into account instability and conflict, but with a different indicator. Only the original World Bank approach ignores political instability and conflict, focusing solely on policy performance.
- *The Alert List and Fragile States index diverge in important respects*, even though they take into account the same broad factors (state performance in economic, social, political, and military/security dimensions); and even though the overall scores are highly correlated (0.83):
 - Political Freedom significantly influences the FSI score, but tends not to play a significant role in the Alert List score.
 - Development policy performance and government effectiveness significantly influence the Alert List score, but not the Fragile States Index score.
- What this suggests is that *a strategy based on the Fragile States Index view of fragility would differ in important respects from a strategy based on the Alert List view*. More generally, different approaches to conceptualizing and identifying fragile states can have quite different strategic implications for addressing fragility.

¹⁴ Keep in mind that we use per capita income and the WGI conflict scores in all of the regressions, and try various combinations of the political freedom and policy/governance indicators.

¹⁵ A glance at the political indicators for the Alert List – contained in the annex – makes this result less surprising.

¹⁶ Keep in mind that the statistical analysis covers 54 IDA eligible countries. Even within this group of relatively poor countries, per capita income significantly influences fragility scores for the Alert List and Fragile States Index.

8. *Given blurred definitions and multiple indicators for gauging fragility, can we identify sub-groups for analytical purposes?*

The table below takes the 51 countries identified as fragile states by one approach or another (described above) and groups them according to the number of distinct lists (out of five) on which each appears.¹⁷ Further, the color coding distinguishes countries according to whether they are weak policy performers or not; and according to whether they have high levels of instability and conflict or not. Weak policy performers are those with CPIA scores less than 3.25. High levels of conflict and instability are indicated by scores worse than -1.50 for the Worldwide Governance Indicator for political instability and violence. “Close calls” are identified in the notes to indicate sensitivity to the chosen thresholds. Finally, countries with per capita incomes above \$2000 are identified by italics. There are eleven such countries. In a number of these cases, per capita income levels overstate level of development because of oil exports (Angola, Congo Republic, and Nigeria.) In some others, Islamic tensions are at work.

Table 2: On How Many Lists Does Each "Fragile State" Appear? (7/2016)

Five Lists (8)	Four Lists (10)	Three Lists (9)	Two Lists (11)	One List (13)
Afghanistan	<i>Iraq</i>	Pakistan	<i>Egypt</i>	<i>Ukraine</i>
Cent Afr Rep	<i>West Bank/Gaza</i>	<i>Nigeria</i>	<i>Lebanon</i>	Malawi
Chad	Mali	Cameroon	<i>Angola</i>	Tajikistan
Congo DRC	Burma	<i>Congo Rep</i>	Djibouti	<i>Turkmenistan</i>
Somalia	Burundi	Guinea	East Timor	Bangladesh
South Sudan	Eritrea	Madagascar	Gambia	Benin
Sudan	Guinea-Bissau	Togo	<i>Papua NG</i>	Burkina Faso
Yemen	Haiti	Cote d'Ivoire	Ethiopia	Cambodia
	Liberia	Sierra Leone	Mauritania	Kenya
	Zimbabwe		Niger	<i>Kosovo</i>
			Uganda	Laos
				Nepal
				Rwanda

Weak Policies AND High Conflict/Instability

High Conflict/Instability

Weak Policies

Neither Weak Policies NOR High Conflict/Instability

Countries with per capita income above \$2000 (Atlas) are in italics

¹⁷ These countries and relevant indicators and scores (except for Alert List scores) are listed in Annex Table I

Notes:

Instability/Conflict is around -1.25 in Kenya, Ethiopia, and Niger. On the other side, Chad (-1.53) and Egypt (-1.58) are closest to the -1.50 benchmark.

Policy Performance is ‘borderline weak’ in Sierra Leone (3.27), Cote d’Ivoire (3.28) and Laos (3.29). On the other side, Pakistan (3.22) is closest to the 3.25 threshold for weak policy performance.

This table helps identify the extent to which the designation of “fragile” for a particular country depends on the approach for determining “fragile”. Countries to the left are included on most lists, while for countries to the right the particular approach is critical. Further, the color coding indicates the role played by weak policy performance and by instability/conflict. This in turn has implications for what sort of “fragile states strategy” might be in order:

- To the “east” and “south” are 15 countries in blue, *with policy performance that is at least “fair” and in most cases good; and with levels of instability and conflict that are ‘manageable’*. These countries tend to be identified as fragile mainly because they are poor and/or rank low on political freedom.¹⁸ Neither poses a barrier to economic and social progress, so that a “development strategy” in these countries would be in order, with reasonably good prospects for aid effectiveness.
- Roughly in the middle are 20 countries in black that are *all weak policy performers*; but which have levels of instability and conflict well below the -1.50 threshold. (The worst score is -1.06 for Burma.) In these countries political will and commitment to development progress (and improved governance) is demonstrably low, handicapping prospects for aid effectiveness. By and large, donor efforts to *induce* or *evoke* major improvements in political will, commitment, and policy performance have not been successful – at best donors play a secondary and supportive role. On the positive side, in a few of these countries (Liberia, Guinea, Togo, Zimbabwe) there has been significant improvement in policy scores, though they remain well below the threshold for weak policies.¹⁹ (By MCC criteria Liberia is a good policy performer). And, over the past decade countries such as Cote d’Ivoire, Nigeria, Uzbekistan, Laos, Cambodia and (until recently) Burundi have risen above the CPIA threshold of 3.2 for fragile states. In this set of countries a development strategy would be apt, but at a modest scale in the face of weak policy performance and pending stronger, credible commitment to policy improvements.

¹⁸ Kosovo is considered “conflict-affected” by the IBRD, though its WGI score is only -0.34. For Bangladesh, it remains to be seen whether the major improvement in the WGI conflict score will be maintained. (See Annex Table III, first row.) Updated WGI estimates are due in September.

¹⁹ Annex Table IV provides CPIA scores over the past eleven years for forty-seven countries. Trends are identified based on intervals identified by scores in bold print; and scores below the 3.20 threshold are in red.

- In three cases (Mali, Nigeria, and Ukraine) policy performance is fair (Ukraine) or good; but *instability and conflict are high*. Growth performance and prospects are dim. Whether and how instability and conflict can be reduced is unclear. In Nigeria instability/conflict has been chronically high, while in Ukraine and Mali this has been a recent and abrupt phenomenon. (See Annex Table III).
 - On the positive side, there are plenty of examples of countries where political instability and conflict have fallen from high to manageable (or tolerable) levels over the past decade, so there is concrete experience to learn from. These countries are identified in Annex Table III towards the end of this paper.
 - On the negative side, few of these “success stories” were dealing with major threats from Islamic extremists (or from Russia.)
- To the “north” and “west” are 13 countries where *policy performance is weak and instability and violence are high*. Ten of these countries are on most or all lists of fragile states. Of the others, Egypt and Lebanon have relatively high per capita income; and Pakistan barely clears the World Bank CPIA threshold for fragile situations. It is not at all clear what sort of strategy would work in these countries – they are each fragile “in their own way” (to invoke Tolstoy’s comment about unhappy families.) But, the first order of business would arguably be to try to improve peace and security. This might be more of a task for diplomacy than for developmental foreign aid.

9. *Issues of Timing – Lags, Trends, and Fluctuations*

So far the discussion has been based on a “snapshot” of scores and indicator values available in August 2016. It is important to keep in mind that these data are inevitably subject to *lags*. Furthermore, the lags vary.

- The CPIA and FCAS groupings appear annually in early July, and describe conditions in the previous calendar year.
- WGI appear annually around September, and also pertain to the previous calendar year.
- The Alert List is subject to longer lags – the most recent scores that became available late in 2015 describe conditions in 2013.
- The Fragile States Index appears each June. Considering the long list of “sub-indicators”, it could not possibly describe conditions in the previous calendar year. Since it appears in June, it may well be subject to even longer lags than the Alert List.

To the extent that “fragility” is driven by underdevelopment, lags are not too critical because a country’s level of development changes only gradually. Other drivers such as political instability and conflict and political freedom can change more quickly. Development policy performance is

less volatile, but still subject to significant change.²⁰ The immediate implication is to be aware of lags (and pay close attention to the news and other reports of recent events.)

On the more positive side, for all of these scores and indicators we have data going back at least to 2006. These data often reveal *longer term trends* – positive and negative – that may provide a guide to current conditions. In any case, they put the most recent observation in historical perspective – particularly for the simpler, narrower approaches to gauging fragility. For the approaches with more moving parts -- the Alert List and Fragile States Index -- it is important but challenging to discern which indicators are driving the trends, and the strategic implications.

Finally, for each approach and list, there are *year-to-year fluctuations* as some countries come onto the list, and others move off. In some cases these changes appear durable, reflecting basic changes in country circumstances. In other cases, the countries hover near threshold values for various scores and indicators, so that they may appear on or disappear from a particular list without much in the way of a basic change in circumstances. Examples of both cases can be found in Annex Table V. Returning to the trends data can help distinguish the transitory changes from the more durable changes.

10. Concluding Comments

Where countries are concerned, fragility is not a very well defined concept. There are diverse approaches to defining and gauging fragility, and they lead to diverse lists of “fragile states”. For approaches that focus on overall state performance, poor countries are likely to be identified as fragile; and part of the remedy to fragility is for poor countries to become less poor. This makes it hard to distinguish the challenge of fragility from the challenge of development. Accordingly, for many countries a fragile states strategy might be hard to distinguish from a development strategy.

A rejoinder might be that the essence of fragility is weak governance, and that there is some room for near term improvements in governance even in poor countries with limited resources and capacity. That proposition makes some sense, particularly if we view the quality of governance as a function of two factors – political will/commitment and resources/capacity. However, much depends on how these two factors relate to one another; and to foreign aid.

Consider the following propositions or hypotheses:

- Foreign aid can serve (to some extent) to augment resources and capacity, and thereby support improvements in the quality of governance.
- However, much (if not everything) depends on political will and commitment to use resources and capacity to good effect.
- The effects of foreign aid on political will and commitment are uncertain:

²⁰ Annex Tables III and IV provide some illustrations of striking trends for political instability and conflict and for development policy performance.

- There is little if any evidence that foreign aid can serve to strengthen political will and commitment. Neither theory nor lessons learned from experience offer much hope for a strategy aimed at improving political will and commitment.
- There is probably more evidence that foreign aid (in large amounts and tied to cooperation on other issues) can undermine political will and commitment, and feed corruption.
- More generally, the drivers of political will and commitment are hard to specify or identify.

This suggests that foreign aid could contribute to improved governance and diminishing fragility in countries where political will is demonstrably supportive. The “blue” countries in Table 2 provide examples. However, this would essentially call for what most would consider a good development strategy aimed at strengthening policies and institutions.

What about the countries color coded in black, those with weak development policy performance signaling weak political will and commitment? For the most part, these countries would be “bad bets” for a strategy aimed at improved governance, based on the demonstrated ineffectiveness of foreign aid in increasing political will and commitment. The exceptions might be countries such as Liberia (or hypothetically, Burma; or eventually perhaps Zimbabwe.) where a major change in leadership clearly represents a significant positive shift. In these cases it might take time and “special” support for policy improvements to follow, calling for a “special” strategy and response (with “special” resources.) The major challenge in these cases is to distinguish a genuine positive shift from a “hoped for” shift or from a shift seen as dependent on high aid levels.

Apart from level of development and political will and commitment, a third element or driver (or manifestation) of fragility is political instability and conflict. There might be more of a role for the international community in at least some situations where instability and conflict are high; and more scope for a “fragile states strategy” aimed at reducing conflict and instability. As mentioned earlier there are examples of countries where instability and conflict (as measured by WGI) have fallen significantly from high levels. Whether the lessons learned from these experiences provide an adequate foundation for a fragile states strategy is unclear. In any case, even if instability and conflict diminish, the issues of underdevelopment and weak political will and commitment to development progress might remain unresolved.

Annex I -- Approaches to Identifying Fragile States²¹

This note looks at various approaches to identifying fragile states. We start with the simplest approaches (IBRD, FCAS, AID/PPC) that focus only on policy performance and conflict/instability. We proceed to two more elaborate approaches (Alert List and the Failed States Index) that incorporate a much wider range of variables and indicators. A sixth approach (OECD) draws on the FCAS list and the Failed States Index. In counting the number of countries for each approach, we exclude small island countries and also Libya, Syria, and North Korea, which have been outside the sphere of development cooperation at least where USAID is concerned.

A. IBRD - CPIA

Until 2009, the Bank looked only at policy performance in identifying fragile states (or fragile situations), and the IMF followed suit. For decades the Bank has carried out the **Country Policy and Institutional Assessment (CPIA)** to gauge policy performance. The longstanding purpose has been to exercise selectivity in allocating assistance across countries, by prioritizing good policy performers. The Bank has used a threshold score of 3.2 to identify fragile states (or “fragile situations.”) Countries below 3.2 roughly comprise the lowest 40% of IDA recipients. So, fragility has been equated with weak policy performance. The following policy areas are considered in the CPIA:

BOX 1. 2012 CRITERIA

A. Economic Management

1. Monetary and Exchange Rate Policies
2. Fiscal Policy
3. Debt Policy and Management

B. Structural Policies

4. Trade
5. Financial Sector
- 6 Business Regulatory Environment

C. Policies for Social Inclusion/Equity

7. Gender Equality
8. Equity of Public Resource Use
9. Building Human Resources
10. Social Protection and Labor
11. Policies and Institutions for Environmental Sustainability

D. Public Sector Management and Institutions

12. Property Rights and Rule-based Governance
13. Quality of Budgetary and Financial Management
14. Efficiency of Revenue Mobilization
15. Quality of Public Administration
16. Transparency, Accountability, and Corruption in the Public Sector

²¹ Originally drafted in April 2014 and updated for this paper.

Each criterion is scored on a scale of 1 to 6, within a carefully structured process. The most recent scores (for 2015, issued in July 2016) range from 4.04 (Rwanda) to 1.87 (South Sudan). The scores cover 76 IDA-eligible countries of which 16 are tiny islands or otherwise not of interest to USAID. For Somalia a score is unavailable and presumed to be very low, bringing the sample of interest to 61 countries. Of these, 26 countries are below the 3.2 threshold.²²

B. IBRD - FCAS

Further, since 2009 the Bank has compiled a “harmonized” list of “Fragile and Conflict-Affected Situations”. This list is based on an *average* of the IBRD’s CPIA and the relevant regional bank’s CPIA, maintaining the 3.2 threshold. Further, it includes countries where there has been a peace-keeping operation and/or political mission (UN or regional) during the past three years, thereby bringing political instability and conflict into the equation.²³ With this approach, 27 countries are identified as fragile and/or conflict-affected. Using the harmonized CPIA drops six countries from the prior list of weak policy performers, as the regional bank CPIAs tend to yield higher scores for the same country. Incorporating political instability and conflict adds four IDA eligible countries and three higher income countries.

C. AID/PPC

A similarly compact approach was used in AID/PPC to identify fragile states for purposes of implementing the 2004 White Paper and 2006 USAID policy framework. This approach relied primarily on the Kaufmann/Kraay Governance score for political instability and violence; and secondarily on the CPIA and other indicators of policy performance.

The Kaufmann/Kraay score for political instability and violence is based on aggregating scores from a variety of sources and for a range of indicators, as depicted on the next page. This is one of six indicators of governance provided. (Others pertain to rule of law, voice and accountability, effectiveness in provision of services, effective regulation, and control of corruption.)²⁴

Countries where this score was below -1.70 (on a scale of roughly -2.5 to 2.5 and covering all [215] countries) are considered fragile, regardless of policy performance. Countries with scores in the range of -1.15 to -1.69 are considered fragile if they are also weak policy performers, based primarily on the CPIA score if available, and otherwise on MCC policy performance indicators for EG and DG (including the five other Kaufmann/Kraay governance indicators mentioned above). This approach identifies sixteen countries as fragile.

²² A detailed explanation is at: <http://siteresources.worldbank.org/PROJECTS/Resources/40940-1244163232994/6180403-1372096800800/CPIAcriteria2012.pdf>

²³ For background and annual listings go to:

<http://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations>

²⁴ The methodology can be reviewed at <http://info.worldbank.org/governance/wgi/index.aspx#doc>

Political Stability and Absence of Violence/Terrorism (Kaufmann/Kraay:Governance Matters)

Political Stability and Absence of Violence/Terrorism measures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism. This table lists the individual variables from each data sources used to construct this measure in the Worldwide Governance Indicators

Sources

EIU (Economist Intelligence Unit Risk Wire and Democracy Index)

Orderly transfers
Armed conflict
Violent demonstrations
Social Unrest
International tensions / terrorist threat

GCS (WEF Global Competitiveness Report) Cost of Terrorism

HUM (Cingranelli Richards Human Rights Database and Political Terror Scale)

Frequency of political killings (CIRI)
Frequency of disappearances (CIRI)
Frequency of tortures (CIRI)
Political terror scale (PTS)

IJT (iJET Country Security Risk Ratings) Security Risk Rating

IPD (Institutional Profiles Database)

Intensity of internal conflicts: ethnic, religious or regional
Intensity of violent activities...of underground political organizations
Intensity of social conflicts (excluding conflicts relating to land)

PRS (Political Risk Services International Country Risk Guide)

Government stability
Internal conflict
External conflict
Ethnic tensions

WMO (Global Insight Business Conditions and Risk Indicators)

Civil unrest How widespread political unrest is, and how great a threat it poses to investors. Demonstrations in themselves may not be cause for concern, but they will cause major disruption if they escalate into severe violence. At the extreme, this factor would amount to civil war

Terrorism Whether the country suffers from a sustained terrorist threat, and from how many sources. The degree of localisation of the threat is assessed, and whether the active groups are likely to target or affect businesses.

WCY (Institute for Management and Development World Competitiveness Yearbook) The risk of political instability is very high

WJP (World Justice Project Rule of Law Index) Factor 3.2: Civil conflict is effectively limited (Order and Security)

<http://info.worldbank.org/governance/wqi/index.aspx#doc>

Both the World Bank and AID/PPC approaches are primarily concerned with *development* performance and results. They view fragile states as countries where standard, medium-term development programs are **not** likely to achieve good results, because of *significant instability and conflict* and/or *an unsupportive policy stance*. Indeed, meaningful development progress in such countries is unlikely unless and until these two basic constraints are addressed.

Two other approaches to identifying fragile states – the Fragility Alert List and the Failed States Index – were motivated by the national security concern with threats posed by weak and failing (or failed) states. The aim was to identify those countries *most in danger* of falling apart, as a warning and signal to consider preventive measures. Both approaches consider a much wider array of factors, reflecting broader foreign policy concerns with a range of state capabilities and challenges that extend well beyond development progress, results, and aid effectiveness.

D. The USAID Alert List²⁵

This approach examines effectiveness and legitimacy in four spheres of state performance.

TABLE 1.1 STATE PERFORMANCE OUTCOMES MATRIX

	EFFECTIVENESS	LEGITIMACY
POLITICAL	Well-functioning political institutions and processes that ensure accountability and timely allocation of resources to address citizen needs	Political institutions and processes that are transparent, respect societal values, and do not favor particular groups
SECURITY	Provision of military and police services that secures borders and limits crime	Military and police services that are provided equitably and without violation of civil rights
ECONOMIC	Economic institutions that provide for economic growth (including jobs), shield the economy from external shocks, and ensure adaptability to economic change	Equitable distribution of the benefits and costs of economic growth and change
SOCIAL	Provision of legal protections and social services, in particular to meet the special needs of vulnerable and minority groups	Tolerance for diversity, including opportunities for groups to practice customs, cultures, and beliefs

Indicators for each of the cells in the matrix are on the next page. Some pertain to *level of development* – appropriately so as “state performance” tends to be systematically weaker in poorer countries because resources (financial, human, infrastructure, other physical capital,

²⁵ From: http://pdf.usaid.gov/pdf_docs/pnadd462.pdf, “Measuring Fragility: Indicators and Methods for Rating State Performance”, June 2005

access to technology) and institutional capacity are systematically more limited.²⁶ Other indicators get at various aspects of development performance including (implicitly or explicitly) policy performance. Others directly reflect issues of peace, security, and conflict, and underlying issues of equity, equality, and freedoms.

TABLE I.2. PROPOSED OUTCOME INDICATORS

	EFFECTIVENESS	LEGITIMACY
POLITICAL	1. Quality of public service/ government effectiveness 2. Number of coups d'état in last five years 3. Government revenues, as percentage of GDP	4. Nature of political participation (absence or presence of factionalism) 5. % of population experiencing political discrimination 6. Extent of citizen participation in selecting government 7. Asylum requests, as % of population
SECURITY	8. Intensity of most severe ongoing armed conflict 9. Size of displaced population 10. Proportion of area affected by ethnic or revolutionary war	11. State use of political terror 12. Extent of state repression of citizens 13. Presence/change in support for militant groups
ECONOMIC	14. Three-year change in real GDP (PPP) per capita 15. Change in foreign investment 16. Poverty rate (% of population living on <\$2 [PPP]/day) 17. Primary commodity exports/total exports 18. Three-year inflation rate	19. % of population experiencing economic discrimination 20. Corruption 21. Extent of rule of law/protection of property rights 22. Number of days to start a business
SOCIAL	23. Infant mortality rate 24. Youth literacy rate 25. Change in % of population living with HIV/AIDS 26. DPT and measles immunization rates 27. % of population with access to improved water supplies/ sanitation	28. Male/female literacy ratio 29. Male/female life expectancy ratio 30. % of GDP spent on military 31. Deviance from GDP-predicted infant mortality 32. Deviance from GDP-predicted primary school completion rate 33. Cultural and religious freedoms

To these has been added a 34th indicator under political legitimacy -- “Percentage of seats in legislature held by women”. This approach identifies around 37 countries as fragile, using the top two categories on the alert list.

E. Failed States Index

The Failed States Index is based on the twelve primary social, economic, and political indicators of the CAST methodology, developed by the Fund for Peace. This approach is similarly motivated by a concern with anticipating state failure or collapse, and is similarly broad in

²⁶ My estimate is that six of the effectiveness indicators and two of the legitimacy indicators are straightforward indicators of level of development. Two other indicators in each group relate to dimensions of governance that depend in part on resources and capacity, and therefore on level of development.

aiming to gauge overall state performance.²⁷ It considers social, economic, political, and security factors; and (apparently) numerous indicators under each heading.

Social Indicators

 <p>Demographic Pressures DP</p> <p>Pressures on the population such as disease and natural disasters make it difficult for the government to protect its citizens or demonstrate a lack of capacity or will.</p> <p><i>Includes pressures and measures related to:</i></p> <ul style="list-style-type: none"> • Natural Disasters • Disease • Environment • Pollution • Food Scarcity • Malnutrition • Water Scarcity • Population Growth • Youth Bulge • Mortality 	 <p>Refugees and IDPs REF</p> <p>Pressures associated with population displacement. This strains public services and has the potential to pose a security threat.</p> <p><i>Includes pressures and measures related to:</i></p> <ul style="list-style-type: none"> • Displacement • Refugee Camps • IDP Camps • Disease related to Displacement • Refugees per capita • IDPs per capita • Absorption capacity
 <p>Group Grievance GG</p> <p>When tension and violence exists between groups, the state's ability to provide security is undermined and fear and further violence may ensue.</p> <p><i>Includes pressures and measures related to:</i></p> <ul style="list-style-type: none"> • Discrimination • Powerlessness • Ethnic Violence • Communal Violence • Sectarian Violence • Religious Violence 	 <p>Human Flight and Brain Drain HF</p> <p>When there is little opportunity, people migrate, leaving a vacuum of human capital. Those with resources also often leave before, or just as, conflict erupts.</p> <p><i>Includes pressures and measures related to:</i></p> <ul style="list-style-type: none"> • Migration per capita • Human Capital • Emigration of Educated Population

Economic Indicators

 <p>Uneven Economic Development UED</p> <p>When there are ethnic, religious, or regional disparities, the governed tend to be uneven in their commitment to the social contract.</p> <p><i>Includes pressures and measures related to:</i></p> <ul style="list-style-type: none"> • GINI Coefficient • Income Share of Highest 10% • Income Share of Lowest 10% • Urban-Rural Service Distribution • Access to Improved Services • Slum Population 	 <p>Poverty and Economic Decline ECO</p> <p>Poverty and economic decline strain the ability of the state to provide for its citizens if they cannot provide for themselves and can create friction between the "haves" and the "have nots".</p> <p><i>Includes pressures and measures related to:</i></p> <ul style="list-style-type: none"> • Economic Deficit • Government Debt • Unemployment • Youth Employment • Purchasing Power • GDP per capita • GDP Growth • Inflation
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²⁷ <http://ffp.statesindex.org/methodology>

Political and Military Indicators

 <p>State Legitimacy SL</p> <p>Corruption and a lack of representativeness in the government directly undermine the social contract. <i>Includes pressures and measures related to:</i></p> <ul style="list-style-type: none"> • Corruption • Government Effectiveness • Political Participation • Electoral Process • Level of Democracy • Illicit Economy • Drug Trade • Protests and Demonstrations • Power Struggles 	 <p>Public Services PS</p> <p>The provision of health, education, and sanitation services, among others, are key roles of the state. <i>Includes pressures and measures related to:</i></p> <ul style="list-style-type: none"> • Policing • Criminality • Education Provision • Literacy • Water & Sanitation • Infrastructure • Quality Healthcare • Telephony • Internet Access • Energy Reliability • Roads
 <p>Human Rights and Rule of Law HR</p> <p>When human rights are violated or unevenly protected, the state is failing in its ultimate responsibility. <i>Includes pressures and measures related to:</i></p> <ul style="list-style-type: none"> • Press Freedom • Civil Liberties • Political Freedoms • Human Trafficking • Political Prisoners • Incarceration • Religious Persecution • Torture • Executions 	 <p>Security Apparatus SEC</p> <p>The security apparatus should have a monopoly on the use of legitimate force. The social contract is weakened where this is affected by competing groups. <i>Includes pressures and measures related to:</i></p> <ul style="list-style-type: none"> • Internal Conflict • Small Arms Proliferation • Riots and Protests • Fatalities from Conflict • Military Coups • Rebel Activity • Militancy • Bombings • Political Prisoners
 <p>Factionalized Elites FE</p> <p>When local and national leaders engage in deadlock and brinkmanship for political gain, this undermines the social contract. <i>Includes pressures and measures related to:</i></p> <ul style="list-style-type: none"> • Power Struggles • Defectors • Flawed Elections • Political Competition 	 <p>External Intervention EXT</p> <p>When the state fails to meet its international or domestic obligations, external actors may intervene to provide services or to manipulate internal affairs. <i>Includes pressures and measures related to:</i></p> <ul style="list-style-type: none"> • Foreign Assistance • Presence of Peacekeepers • Presence of UN Missions • Foreign Military Intervention • Sanctions • Credit Rating

The Failed States Index identifies some 36 countries as fragile states.

F. OECD²⁸

Finally, the OECD maintains a list of fragile states. They include those countries on the Bank's FCAS list; and also those identified as fragile states by the Failed States Index. Accordingly, the OECD list is relatively long – 43 countries based on the most recent versions of both lists.

²⁸ OECD 2014 Report on Fragile States at <http://www.oecd.org/dac/incaf/FSR-2014.pdf>

Annex Table 1 -- Fragile States (Current as of July 2016)													
Country	2015 Pop (Mill)	2015 Atlas GNI per Capita	CPIA 2016	CPIA Trend 2016	Quality of Policies	2010-20 Per Cap Growth	KK Stability 2015	Stability Trend 2015	PPC Fragility Test 2015	Fragile States Index 2016	OECD Fragile 2017	IBRD CPIA (FY17)	IBRD FCAS (FY17)
High Conflict/Instability and in most cases Weak Policies (Ranked in order of conflict/instability)													
CAR	4.9	320	2.46	-0.30	Weak	-2.5	-2.67	-0.89	Yes	112.1	Yes	Yes	Yes
South Sudan	12.3	790	1.87	-0.25	Weak	-5.6	-2.54	-1.34	Yes	113.8	Yes	Yes	Yes
Yemen	26.8	1300	2.61	-0.68	Weak	-3.9	-2.53	-1.18	Yes	111.5	Yes	Yes	Yes
Somalia	10.8	900	n/a	n/a	Weak	n/a	-2.49	0.84	Yes	114.0	Yes	Yes	Yes
Iraq	36.4	5550	n/a	n/a	(Weak)	2.3	-2.47	-0.63	Yes	104.7	Yes		Yes
Afghanistan	32.5	630	2.69	0.37	Weak	1.6	-2.46	-0.07	Yes	107.9	Yes	Yes	Yes
Pakistan	188.9	1440	3.22	0.15	Weak	2.3	-2.44	0.38	Yes	101.7	Yes		
Sudan	40.2	1840	2.43	0.11	Weak	0.2	-2.36	0.30	Yes	111.5	Yes	Yes	Yes
Congo (DRC)	77.3	410	3.00	0.33	Weak	3.4	-2.27	-0.29	Yes	110.0	Yes	Yes	Yes
Nigeria	182.2	2820	3.41	-0.17	Good	1.4	-2.11	-0.16	Yes	103.5	Yes		
West Bank/C	4.4	3090	n/a	n/a	(Weak)	n/a	-1.99	0.05	Yes	n/a	Yes		Yes
Ukraine	45.2	2620	n/a	n/a	Fair	0.8	-1.93	-1.90	Yes	75.5			
Mali	17.6	790	3.38	-0.28	Good	1.1	-1.74	0.28	Yes	95.2	Yes		Yes
Lebanon	5.9	7930	n/a	n/a	(Weak)	1.8	-1.72	-0.16	Yes	89.6	Yes		Yes
Egypt	91.5	3340	n/a	n/a	Weak	1.4	-1.58	-1.06	Yes	90.2	Yes		
Chad	14.0	880	2.78	0.40	Weak	0.8	-1.53	-0.48	Yes	110.1	Yes	Yes	Yes
Mostly Weak Policies; Manageable Conflict/Instability (ranked in order of CPIA)													
Eritrea	5.2	680	1.94	-0.56	Weak	2.3	-0.76	0.11		98.6	Yes	Yes	Yes
Guinea-Bissa	1.8	590	2.48	-0.35	Weak	1.6	-0.74	0.22		99.8	Yes	Yes	Yes
Angola	25.0	4180	2.67	n/a	Weak	0.7	-0.27	0.42		90.5	Yes		
Zimbabwe	15.6	850	2.86	1.46	Weak	2.6	-0.65	0.55		100.5	Yes	Yes	Yes
Haiti	10.7	820	2.90	0.07	Weak	1.9	-0.61	0.78		105.1	Yes	Yes	Yes
Gambia	2.0	460	2.93	-0.54	Weak	-0.1	-0.10	-0.25		86.8	Yes	Yes	Yes
Djibouti	0.9	1000	2.97	-0.21	Weak	4.9	-0.72	-1.22		89.7	Yes	Yes	Yes
Togo	7.3	540	2.98	0.49	Weak	2.6	-0.16	0.24		85.8	Yes	Yes	Yes
Congo (Repu	4.6	2540	3.00	0.00	Weak	0.8	-0.29	0.20		92.2	Yes	Yes	
Papua New C	7.6	2240	3.00	-0.30	Weak	3.5	-0.33	0.51		86.2	Yes	Yes	Yes
East Timor	1.2	1920	3.02	0.10	Weak	3.2	-0.22	0.92		90.8	Yes	Yes	
Burundi	11.2	260	3.07	-0.20	Weak	0.2	-0.89	0.89		100.7	Yes	Yes	Yes
Burma	53.9	1280	3.08	0.13	Weak	6.8	-1.06	0.22		96.3	Yes	Yes	Yes
Guinea	12.6	470	3.08	0.30	Weak	1.2	-0.93	1.17		103.8	Yes	Yes	
Liberia	4.5	380	3.10	0.27	Weak	2.5	-0.63	1.59		95.5	Yes	Yes	Yes
Tajikistan	8.5	1240	3.12	-0.26	Weak	2.9	-0.68	0.50		83.8		Yes	
Cameroon	23.3	1330	3.14	-0.09	Weak	2.4	-0.94	-0.41		97.8	Yes	Yes	
Madagascar	24.2	420	3.14	0.12	Weak	0.8	-0.54	0.50		84.2	Yes	Yes	Yes
Malawi	17.2	350	3.15	-0.26	Weak	1.1	0.12	0.33		87.6		Yes	
Sierra Leone	6.5	630	3.27	0.01	Fair	2.1	-0.22	0.90		91.0	Yes		Yes
Cote d'Ivoire	22.7	1410	3.28	0.58	Fair	4.4	-1.01	0.55		97.9	Yes		Yes
Turkmenista	5.4	7510	n/a	n/a	Weak	6.5	0.08	-0.43		76.0			
Mostly Good Policies; Manageable Conflict/Instability; Pretty Good Growth Performance and Prospects (Ranked in order of CPIA)													
Laos	6.8	1730	3.29	-0.11	Fair	5.7	0.46	0.73		84.4			
Bangladesh	161.0	1190	3.31	-0.22	Fair	5.3	-0.88	0.97		90.7	Yes		
Mauritania	4.1	1370	3.32	0.14	Fair	1.8	-0.58	0.59		95.4	Yes		
Nepal	28.5	730	3.39	0.12	Good	2.5	-0.70	1.21		91.2	Yes		
Cambodia	15.6	1070	3.40	-0.05	Good	5.4	-0.04	0.55		87.4			
Niger	19.9	390	3.46	0.16	Good	2.2	-1.27	-0.40		98.4	Yes		
Ethiopia	99.4	590	3.49	0.12	Good	5.8	-1.24	0.52		97.2	Yes		
Benin	10.9	860	3.51	0.04	Good	2.6	0.05	-0.27		78.9			
Kosovo	1.8	3950	3.53	-0.06	Good	2.6	-0.34	0.79		n/a	Yes		Yes
Burkina Faso	18.1	660	3.61	-0.17	Good	2.6	-0.79	-0.88		89.4			
Uganda	39.0	670	3.74	-0.14	Good	1.9	-0.93	0.50		97.7	Yes		
Kenya	46.1	1340	3.82	0.24	Good	3.2	-1.27	-0.12		98.3	Yes		
Rwanda	11.6	700	4.04	0.56	Good	4.5	-0.10	1.07		91.3	Yes		

Country	PCI Atlas	PCI PPP	CPIA	Instability and Conflict	Fragile States Index	Voice and Accountability	Freedom House	Government Effectiveness
Afghanistan	630	1990	2.69	-2.46	107.9	-1.16	24	-1.34
Bangladesh	1190	3550	3.31	-0.88	90.7	-0.47	49	-0.77
Benin	860	2100	3.51	0.05	78.9	0.23	82	-0.50
Bolivia	3080	6840	3.45	-0.36	78.50	-0.04	68	-0.59
Burkina Faso	660	1640	3.61	-0.79	89.4	-0.41	59	-0.56
Burundi	260	730	3.07	-0.89	100.7	-1.02	19	-1.09
Cambodia	1070	3290	3.40	-0.04	87.4	-1.08	32	-0.68
Cameroon	1330	3080	3.14	-0.94	97.8	-1.00	24	-0.74
Central African Rep	320	600	2.46	-2.67	112.1	-1.42	7	-1.84
Chad	880	2110	2.78	-1.53	110.1	-1.33	20	-1.48
Congo, Dem. Rep.	410	720	3.00	-2.27	110.0	-1.31	25	-1.59
Congo, Rep	2540	6300	3.00	-0.29	92.20	-1.08	28	-1.15
Côte d'Ivoire	1410	3240	3.28	-1.01	97.9	-0.52	51	-0.78
Ethiopia	590	1620	3.49	-1.24	97.2	-1.26	15	-0.47
Gambia, The	460	1580	2.93	-0.10	86.8	-1.25	18	-0.61
Ghana	1480	4070	3.57	-0.13	71.2	0.49	83	-0.27
Guinea	470	1120	3.08	-0.93	103.8	-0.89	40	-1.21
Guinea Bissau	590	1450	2.48	-0.74	99.8	-1.04	39	-1.55
Haiti	820	1760	2.90	-0.61	105.1	-0.85	41	-2.03
Honduras	2270	4740	3.50	-0.51	79.80	-0.42	45	-0.80
Kenya	1340	3060	3.82	-1.27	98.3	-0.16	51	-0.30
Kyrgyz Republic	1170	3300	3.64	-0.78	81.1	-0.53	38	-0.84
Lao PDR	1730	5380	3.29	0.46	84.4	-1.65	12	-0.39
Lesotho	1330	3160	3.30	-0.27	80.9	0.11	67	-0.51
Liberia	380	720	3.10	-0.63	95.5	-0.29	61	-1.37
Madagascar	420	1400	3.14	-0.54	84.2	-0.53	56	-1.28
Malawi	350	1140	3.15	0.12	87.6	-0.12	64	-0.69
Mali	790	2360	3.38	-1.74	95.2	-0.20	45	-1.12
Mauritania	1370	3710	3.32	-0.58	95.4	-0.91	30	-1.05
Moldova	2220	5350	3.70	-0.10	73.20	-0.02	60	-0.38
Mongolia	3830	11070	3.28	0.87	56.60	0.23	86	-0.41
Mozambique	580	1170	3.48	-0.35	87.8	-0.23	56	-0.73
Nepal	730	2500	3.39	-0.70	91.2	-0.44	51	-0.83
Nicaragua	1940	5050	3.71	-0.05	79.0	-0.37	54	-0.83
Niger	390	950	3.46	-1.27	98.4	-0.25	52	-0.74
Nigeria	2820	5800	3.41	-2.11	103.50	-0.65	48	-1.19
Pakistan	1440	5350	3.22	-2.44	101.7	-0.74	41	-0.75
Papua New Guinea	2240	2800	3.00	-0.33	86.20	0.05	59	-0.63
Rwanda	700	1720	4.04	-0.10	91.3	-1.13	24	0.02
Senegal	1000	2390	3.82	-0.13	83.6	0.25	78	-0.39
Sierra Leone	630	1560	3.27	-0.22	91.0	-0.31	65	-1.22
South Sudan	790	1630	1.87	-2.54	96.3	-1.52	14	-2.13
Sri Lanka	3800	11480	3.38	-0.25	87.70	-0.72	55	0.09
Sudan	1840	4080	2.43	-2.36	111.5	-1.73	6	-1.61
Tajikistan	1240	3320	3.12	-0.68	83.8	-1.44	16	-0.75
Tanzania	910	2620	3.67	-0.54	81.8	-0.17	60	-0.64
Timor-Leste	1920	3820	3.02	-0.22	90.8	0.11	65	-1.16
Togo	540	1320	2.98	-0.16	85.8	-0.82	48	-1.26
Uganda	670	1780	3.74	-0.93	97.7	-0.56	36	-0.40
Uzbekistan	2150	6110	3.43	-0.23	83.50	-1.89	3	-0.63
Vietnam	1980	5690	3.69	0.00	70.7	-1.34	20	-0.06
Yemen, Rep.	1300	3660	2.61	-2.53	111.5	-1.34	17	-1.41
Zambia	1490	3700	3.29	0.21	86.3	-0.14	60	-0.47
Zimbabwe	850	1700	2.86	-0.65	100.5	-1.28	32	-1.18

Annex Table III

Political Instability and Conflict -- Major Positive and Negative Trends													Change from 2013 to 2014	Trend in Instability and Conflict
Countries	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014			
<i>Bangladesh</i>	-1.38	-1.84	-1.48	-1.50	-1.48	-1.54	-1.40	-1.39	-1.35	-1.63	-0.88	0.75	0.97	
<i>Tajikistan</i>	-1.29	-1.37	-1.38	-0.75	-0.81	-1.00	-0.97	-1.00	-1.17	-1.13	-0.68	0.45	0.50	
<i>Burundi</i>	-2.51	-1.51	-1.40	-1.32	-1.63	-1.27	-1.60	-1.78	-1.69	-1.31	-0.89	0.42	0.89	
<i>Nepal</i>	-2.12	-2.11	-1.92	-1.92	-1.84	-1.62	-1.60	-1.42	-1.37	-1.11	-0.70	0.41	1.21	
<i>Philippines</i>	-1.68	-1.22	-1.65	-1.63	-1.77	-1.71	-1.63	-1.38	-1.16	-1.06	-0.70	0.35	1.07	
<i>Sri Lanka</i>	-1.06	-1.19	-1.43	-1.74	-1.80	-1.35	-0.92	-0.70	-0.70	-0.59	-0.25	0.34	1.55	
<i>Uzbekistan</i>	-1.44	-1.97	-1.79	-1.40	-1.25	-0.96	-0.73	-0.61	-0.52	-0.55	-0.23	0.31	1.74	
<i>Guinea</i>	-1.05	-1.18	-1.89	-2.37	-2.10	-2.09	-1.68	-1.39	-1.28	-1.22	-0.93	0.29	1.17	
<i>Colombia</i>	-2.19	-2.04	-1.86	-1.79	-1.84	-1.83	-1.53	-1.27	-1.40	-1.28	-1.12	0.16	0.72	
<i>Ethiopia</i>	-1.27	-1.66	-1.71	-1.76	-1.71	-1.62	-1.62	-1.50	-1.54	-1.38	-1.24	0.14	0.52	
<i>Indonesia</i>	-1.87	-1.48	-1.40	-1.20	-1.09	-0.76	-0.85	-0.77	-0.58	-0.50	-0.37	0.13	1.75	
<i>Haiti</i>	-2.00	-1.82	-1.39	-1.32	-1.39	-1.00	-0.99	-1.03	-0.82	-0.65	-0.61	0.04	0.78	
<i>Cote d'Ivoire</i>	-2.16	-2.30	-1.89	-1.89	-1.82	-1.28	-1.57	-1.40	-1.26	-1.02	-1.01	0.01	0.55	
<i>Uganda</i>	-1.30	-1.43	-1.16	-0.96	-0.91	-0.99	-1.01	-0.99	-0.88	-0.84	-0.93	-0.09	0.50	
<i>Liberia</i>	-1.41	-1.36	-1.31	-1.25	-1.28	-1.08	-0.46	-0.42	-0.48	-0.46	-0.63	-0.17	1.59	
<i>Somalia</i>	-2.93	-2.75	-2.78	-3.24	-3.31	-3.32	-3.11	-3.07	-2.85	-2.74	-2.49	0.26	0.84	
<i>Pakistan</i>	-1.56	-1.76	-2.04	-2.43	-2.57	-2.63	-2.67	-2.81	-2.69	-2.60	-2.44	0.16	0.38	
<i>Afghanistan</i>	-2.30	-2.09	-2.23	-2.40	-2.69	-2.70	-2.55	-2.48	-2.39	-2.50	-2.46	0.05	-0.07	
<i>Lebanon</i>	-0.75	-1.02	-1.85	-2.13	-1.90	-1.58	-1.63	-1.56	-1.66	-1.69	-1.72	-0.03	-0.16	
<i>Nigeria</i>	-1.72	-1.65	-2.04	-2.01	-1.86	-1.95	-2.19	-1.95	-2.06	-2.08	-2.11	-0.03	-0.16	
<i>Congo (DRC)</i>	-2.39	-2.17	-2.27	-2.21	-2.03	-1.99	-2.23	-2.24	-2.14	-2.23	-2.27	-0.04	-0.29	
<i>Sudan</i>	-1.58	-1.98	-2.12	-2.35	-2.47	-2.65	-2.66	-2.53	-2.27	-2.20	-2.36	-0.15	0.30	
<i>Yemen</i>	-1.58	-1.42	-1.35	-1.56	-1.99	-2.32	-2.42	-2.42	-2.41	-2.35	-2.53	-0.18	-1.18	
<i>West Bank/C</i>	-1.10	-1.37	-1.70	-1.95	-1.97	-2.03	-1.94	-1.93	-1.94	-1.76	-1.99	-0.23	0.05	
<i>Chad</i>	-1.50	-1.39	-1.81	-1.86	-1.97	-1.69	-1.51	-1.32	-1.06	-1.10	-1.53	-0.43	-0.48	
<i>Iraq</i>	-3.18	-2.72	-2.83	-2.79	-2.48	-2.19	-2.26	-1.84	-1.93	-2.02	-2.47	-0.45	-0.63	
<i>CAR</i>	-1.41	-1.42	-1.84	-1.83	-1.83	-1.88	-2.01	-1.78	-1.87	-2.18	-2.67	-0.49	-0.89	
<i>South Sudan</i>	n/a	-1.43	-1.20	-1.80	-2.54	-0.74	-1.34							
<i>Egypt</i>	-0.78	-0.65	-0.87	-0.59	-0.52	-0.62	-0.91	-1.45	-1.46	-1.65	-1.58	0.07	-1.06	
<i>Mali</i>	0.48	0.19	0.37	0.20	0.18	-0.08	-0.21	-0.68	-2.02	-1.70	-1.74	-0.03	0.28	
<i>Ukraine</i>	-0.48	-0.27	-0.03	0.15	0.03	-0.31	-0.02	-0.08	-0.10	-0.76	-1.93	-1.17	-1.90	

Notes: The data are from Worldwide Governance Indicators, including the most recent scores that appeared in September 2015. Levels of instability above -1.30 are in red and considered “high”. The table identifies three groups of countries: those (in blue) where instability/conflict were previously high and fell significantly; those (in red) where instability and conflict have been chronically high; and those (in purple) where instability/conflict were previously low and then rose to high levels. For each country, the “trend” is based on eyeballing the data to look for the largest fairly steady change leading to the most recent observation. Since there is considerable room for error, trends are identified in green (significantly positive) or yellow (significantly negative) only if the change was greater than 0.50 in absolute value; and one-year changes are highlighted if greater than 0.40 in absolute value. In some cases (e.g. Liberia, Indonesia) the trend is from 2003 to 2014.

Annex Table IV -- Trends in CPIA Scores												
Country	CPIA 2006 (2005)	CPIA 2007 (2006)	CPIA 2008 (2007)	CPIA 2009 (2008)	CPIA 2010 (2009)	CPIA 2011 (2010)	CPIA 2012 (2011)	CPIA 2013 (2012)	CPIA 2014 (2013)	CPIA 2015 (2014)	CPIA 2016 (2015)	CPIA Trend
Cote d'Ivoire	2.49	2.45	2.55	2.66	2.79	2.70	2.87	3.07	3.18	3.25	3.28	0.58
Nigeria	3.14	3.23	3.40	3.44	3.48	3.44	3.43	3.53	3.58	3.53	3.41	0.44
Uzbekistan	3.00	3.00	3.13	3.31	3.33	3.36	3.38	3.38	3.38	3.38	3.43	0.43
Laos	2.98	3.08	3.14	3.28	3.20	3.28	3.36	3.40	3.36	3.36	3.29	0.42
Cambodia	3.09	3.17	3.21	3.29	3.29	3.36	3.41	3.45	3.43	3.43	3.40	0.36
Burundi	2.97	2.99	3.02	3.02	3.06	3.08	3.11	3.24	3.24	3.27	3.07	0.30
Mauritania	3.16	3.28	3.38	3.33	3.23	3.18	3.20	3.23	3.29	3.38	3.32	0.20
Sierra Leone	3.12	3.09	3.09	3.11	3.21	3.26	3.31	3.27	3.23	3.27	3.27	0.18
Niger	3.26	3.30	3.30	3.30	3.34	3.39	3.40	3.48	3.46	3.42	3.46	0.20
Nepal	3.34	3.42	3.44	3.31	3.30	3.29	3.28	3.27	3.38	3.39	3.39	0.12
Zimbabwe	1.82	1.77	1.65	1.40	1.86	1.98	2.19	2.23	2.26	2.66	2.86	1.46
Togo	2.49	2.49	2.53	2.68	2.78	2.89	2.99	2.97	2.97	2.99	2.98	0.49
Chad	2.88	2.75	2.58	2.53	2.48	2.38	2.43	2.51	2.60	2.69	2.78	0.40
East Timor	NA	2.68	2.70	2.81	2.92	2.98	3.02	3.02	3.06	3.06	3.02	0.38
Congo (DRC)	2.84	2.84	2.84	2.73	2.67	2.67	2.67	2.71	2.88	2.98	3.00	0.33
Guinea	3.02	2.94	3.01	2.98	2.82	2.78	2.86	2.97	2.97	3.03	3.08	0.30
Liberia	n/a	n/a	n/a	n/a	2.83	2.92	3.03	3.06	3.13	3.10	3.10	0.27
Afghanistan	NA	2.61	2.50	2.59	2.75	2.63	2.68	2.68	2.65	2.32	2.69	0.19
Burma	n/a	2.95	3.05	3.08	0.13							
Haiti	2.77	2.86	2.86	2.86	2.93	2.93	2.90	2.90	2.83	2.86	2.90	0.07
Congo (Rep)	2.79	2.77	2.66	2.74	2.83	2.89	3.00	3.00	3.04	3.04	3.00	0.00
Rwanda	3.48	3.63	3.66	3.68	3.77	3.84	3.82	3.84	3.93	3.99	4.04	0.56
Kenya	3.60	3.65	3.63	3.58	3.74	3.79	3.79	3.86	3.86	3.82	3.82	0.24
Ethiopia	3.38	3.39	3.42	3.35	3.41	3.41	3.46	3.44	3.44	3.47	3.49	0.14
Yemen	3.29	3.25	3.23	3.19	3.15	3.17	2.98	2.99	2.99	2.97	2.61	-0.68
Madagascar	3.54	3.58	3.68	3.66	3.52	3.36	3.23	3.04	3.02	3.13	3.14	-0.66
Pakistan	3.66	3.62	3.58	3.25	3.18	3.08	3.07	3.07	3.07	3.18	3.22	-0.59
Gambia	3.08	3.08	3.23	3.23	3.26	3.35	3.47	3.35	3.27	3.14	2.93	-0.54
Malawi	3.35	3.39	3.41	3.41	3.39	3.31	3.27	3.16	3.07	3.19	3.15	-0.34
Papua New C	3.11	3.14	3.32	3.25	3.25	3.30	3.30	3.30	3.25	3.17	3.00	-0.30
Tajikistan	3.34	3.34	3.24	3.17	3.19	3.26	3.35	3.38	3.31	3.18	3.12	-0.26
Cameroon	3.29	3.22	3.23	3.21	3.21	3.17	3.18	3.23	3.23	3.18	3.14	-0.09
Eritrea	2.50	2.45	2.43	2.34	2.21	2.21	2.16	2.08	1.99	1.99	1.94	-0.56
Guinea-Bissa	2.68	2.59	2.59	2.55	2.61	2.70	2.83	2.62	2.53	2.50	2.48	-0.35
CAR	2.39	2.39	2.50	2.50	2.64	2.75	2.76	2.71	2.50	2.43	2.46	-0.30
South Sudan	n/a	2.12	2.09	2.00	1.87	-0.25						
Djibouti	3.14	3.06	3.08	3.12	3.17	3.15	3.18	3.09	3.09	3.05	2.97	-0.21
Ghana	3.85	3.93	3.95	3.89	3.84	3.88	3.90	3.80	3.68	3.37	3.57	-0.53
Mali	3.71	3.68	3.71	3.66	3.66	3.64	3.64	3.38	3.38	3.37	3.38	-0.33
Bolivia	3.71	3.73	3.73	3.78	3.78	3.73	3.60	3.63	3.56	3.56	3.45	-0.33
Tanzania	3.94	3.94	3.88	3.84	3.84	3.75	3.70	3.75	3.76	3.76	3.67	-0.27
Mozambique	3.46	3.52	3.61	3.68	3.72	3.74	3.68	3.73	3.62	3.59	3.48	-0.25
Bangladesh	3.42	3.43	3.48	3.53	3.53	3.48	3.28	3.28	3.27	3.38	3.31	-0.22
Zambia	3.32	3.40	3.48	3.51	3.43	3.44	3.46	3.46	3.42	3.42	3.29	-0.22
Mongolia	3.44	3.38	3.41	3.28	3.35	3.41	3.48	3.44	3.36	3.25	3.28	-0.20
Lesotho	3.51	3.53	3.53	3.51	3.51	3.45	3.43	3.48	3.47	3.34	3.30	-0.17
Burkina Faso	3.76	3.69	3.69	3.73	3.78	3.78	3.77	3.77	3.77	3.65	3.61	-0.16

Annex Table V: Annual Changes in Fragile States Lists

List	2015 to 2016	2014 to 2015	2013 to 2014	2012 to 2013	2011 to 2012	2010 to 2011
CPIA		+Cameroon		- Cameroon	+ South Sudan	+ Cameroon
	-Pakistan	+Gambia		- Mauritania		+ Mauritania
	+Burundi	+Tajikistan		- Burundi		- Tajikistan
		+Papua NG		+ Malawi		- Laos
		-Ivory Coast		+ Madagascar		
FCAS	+Djibouti	+Lebanon	- Malawi	+ Malawi	- Georgia	- Tajikistan
	+Papua NG	+Gambia	- Congo Rep	+ Mali	+ South Sudan	
	- East Timor		- Nepal	- Angola		
	- Bosnia			- Guinea		
FSI	+ Angola		+ Rwanda		- Rwanda	+ Rwanda
		+ Mali	- Burkina Faso	+ Burkina Faso	+ South Sudan	- Burkina Faso
		+ Sierra Leone	- Sierra Leone		+Egypt	- Uzbekistan
	- Sri Lanka	+ Congo Rep	- Congo Rep	+ Mauritania	- Malawi	- Georgia
						- Lebanon
AID/PPC	(Pending WGI)	- Burma	+ Burma	- Burma	+ Egypt	
		+ Mali	- Mali	+ Mali	+ South Sudan	
		+ Chad	- Ivory Coast	- Chad	- Zimbabwe	
		+ Ukraine		- Mauritania		+ Mauritania
		- Guinea		- Kosovo		+ Kosovo
		- Burundi	+ Burundi	- Burundi		