The Number Of Countries with Coups d'etats and Other Constitutional Changes in Government is Rising: How should donors stay engaged?

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Last week, the NYU Center on International Cooperation (CIC) and Chatham House published a major new report on aid to "politically-estranged" situations—countries where donor relations with national authorities are frayed or broken because of unconstitutional changes in government, internationally contested elections, and major sanctions. These countries include Afghanistan, Burkina Faso, the Central African Republic, Haiti, Libya, Mali, Myanmar, Sudan, Syria, and Venezuela. Collectively, these countries are home to over half a billion people, almost half of the total population of fragile states. Development aid to these countries has been suspended or severely curtailed, often as a consequence of domestic pressures within donor countries to disengage, leaving the problem to traditional humanitarian approaches. **In this report, CIC and Chatham House argue that development engagement is needed, and outline the ways to do so without legitimizing unconstitutional regimes, in concertation with regional actors.**

Why should donors care?

At a moment when there are many other fiscal challenges for Western donors, including the international costs of Russia's war on Ukraine and domestic economic challenges, why should donors care about these countries? Our report makes four arguments around this. The first is of course the **human and developmental cost**—that these countries are falling the furthest behind on the Sustainable Development Goals (SDGs), and humanitarian systems are massively over-stretched. In these situations, the most vulnerable suffer greatly, as they did in the aftermath of this year's earthquake in Syria and in many protracted crises.

The second argument is that **these countries are at the forefront of polarization in the current geopolitical environment.** Despite a continued strong majority of countries voting to condemn the Russian invasion of Ukraine in a number of resolutions last year at the United Nations (UN), there have also been considerable abstentions from criticism of the invasion. A significant number of these are from "politically-estranged" countries. These votes also came alongside abstentions from other members of the G77 who are strong defenders of the UN Charter, amongst them Bangladesh, China, Pakistan, India, Vietnam, South Africa, Mozambique, and Namibia. Some of the reasons for these countries' abstentions is their concern at double standards in western approaches to conflicts in general and, in particular, how to navigate politically estranged situations, with a general priority to dialogue. These differences of views have been evident with regard to the invasion of Ukraine itself: less attended is that differences of views with regard to other crises may further polarize current international alliances and the scope for collaborative multilateral action.

The third argument is the **spillover costs**. We have seen in the past that "locking the door and throwing away the key" to countries does not promote self-recovery: Somalia's three decades of crisis are an example. Estranged situations can produce chaos and disorder for their neighbors and the wider world–think Venezuelan refugees in Colombia (and a number of other Latin American countries); Syrian refugees in Jordan, Lebanon, and Turkey; arms flow and trafficking through Libya and the Sahel. Tackling spillover risks offers, in counterpoint to the polarization above opportunities for cooperation between Western donors, regional organizations, and regional powers.

The fourth is **value for money**. Traditional humanitarian approaches, which are failing to really localize, are extraordinarily costly over long periods. They are not designed to support typical development activities, such community dispute resolution, continued functioning of local health and education capacity, or currency exchange support. They need the lower costs and greater sustainability that development engagement can bring.

What is new in our thinking about the main challenges and solutions?

There is a gap internationally about how to treat these country situations. Regional frameworks such as the Lomé convention, reaffirmed by the African Union in 2022 and the Organization of American States (OAS) Democratic Charter have been under pressure, the Cotonou agreement has lapsed. The UN, World Bank, and International Monetary Fund (IMF) have policies or guidance on exceptional circumstances or de facto governments, but these are largely procedural. There is a need to grapple strategically with what is new in these situations, both in the scale of their occurrence and the approaches that work. Here we outline what is new:
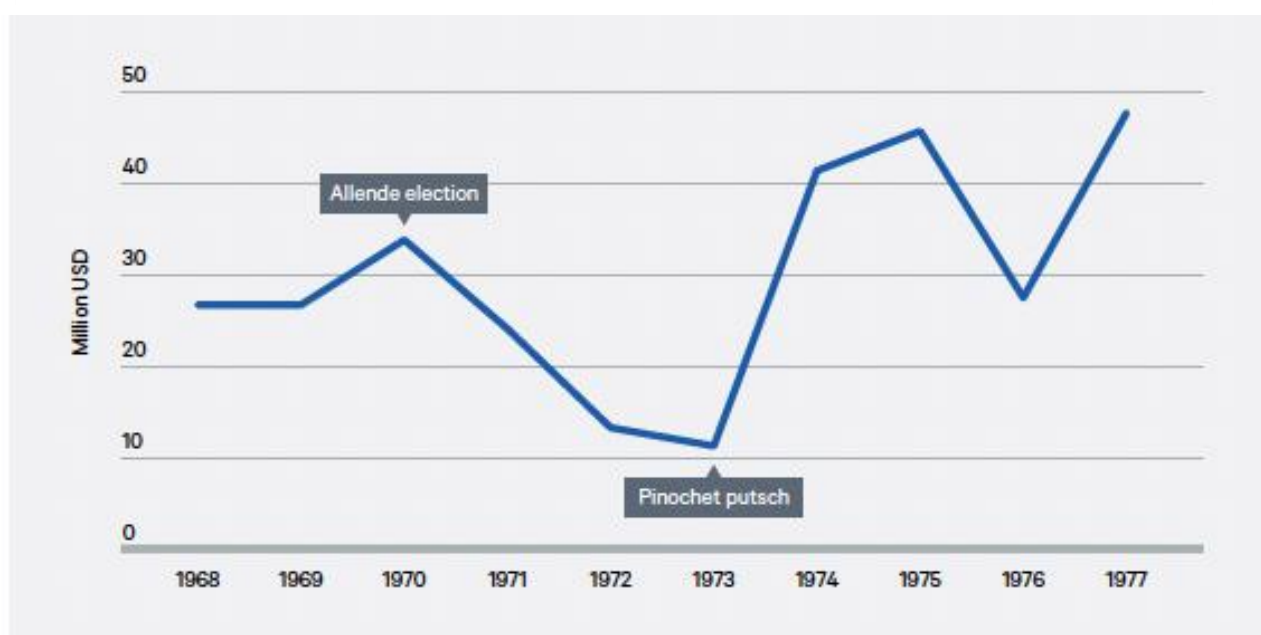
- **The first point is just the scale.** For most of our careers, these countries were one or two a year. They are now 50 percent of fragile and conflict-affected states, over half a billion people. They have to be central to our thinking on fragility and development, and they need what we call guardrails to maintain dialogue and avoid further geopolitical and geoeconomic fragmentation.

Figure 1: Proportion of FCS population living in politically estranged situations
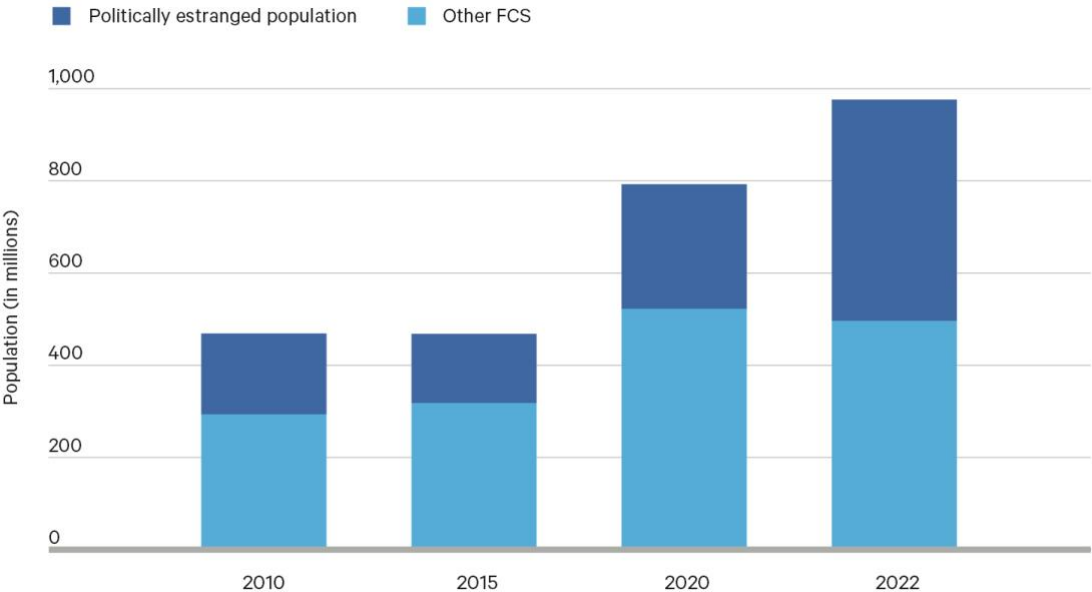
- **Second**, **the evidence on legitimizing regimes and the balance between disengagement and avoiding "business as usual."** We do not want to over-state this—data is sparse as far as these estranged countries go. But what evidence we have shows that when aid is tightly ringfenced, through technical public agencies, communities, and civil society, this does not legitimate unconstitutional and abusive regimes. People appear to distinguish quite well the difference between service delivery and civil and political rights. It does though depend on showing a shift in modalities after a coup or other major abuse of rights. We document in the main report the way in which Western governments supported high multilateral development bank disbursements to Chile immediately after the Pinochet coup–this is not the era we are seeking to go back to. So, a modulated approach is indicated: to stay engaged but clearly shift modalities.

Figure 2: Donor and regional positions on unconstitutional changes of governance

Source: World Bank (1980), Chile: An Economy in Transition,
https://documents1.worldbank.org/curated/en/645231468769210794/pdf/multiopage.pdf

- **Third**, **this, as far as we know, is the first study to take a cross-country comparative look at what best practice approaches allow development actors to signal a shift in modalities,** but also stay engaged more actively in collaboration with humanitarians in these situations. Our report lays out a proven menu of options for more localized modalities and oversight depending on the degree of risk present, and the degree of willingness of de facto authorities to compromise. The full report lays out numerous country examples. These include ringfencing sectoral and subnational programs (Burundi, Gaza), semi-autonomous government agencies (Yemen Social Welfare Fund), non-governmental organization contracting under coordinated service agreements (Timor-Leste), community-driven approaches where funds and decision making are truly transferred to community level councils (Afghanistan, conflict-affected subnational areas in Indonesia), and regional programs (the Sahel).

- **Fourth**, **we highlight how estranged situations demand much more attention to maintaining donor domestic support amongst parliaments, media, taxpayers, and the broader public.** We look at what seems to work across countries in messaging, outreach to parliaments, media, and diaspora communities. This includes taking a pre-emptive approach on how to deal with incidents of corruption and human rights abuse, where we indicate "zero tolerance" means we have systems to anticipate, find and act on abuse every time—not that zero abuse will happen. The diagram below shows the shift in accountability taking place in these situations, with heightened sensitivity in traditional donor domestic dynamics. Attention to donor country domestic political dynamics—and justified concerns from parliaments and taxpayers—is what enables a wider range of modalities to be adopted, beyond traditional siloed humanitarian aid.

Figure 3: Shifting accountability relations in politically estranged situations
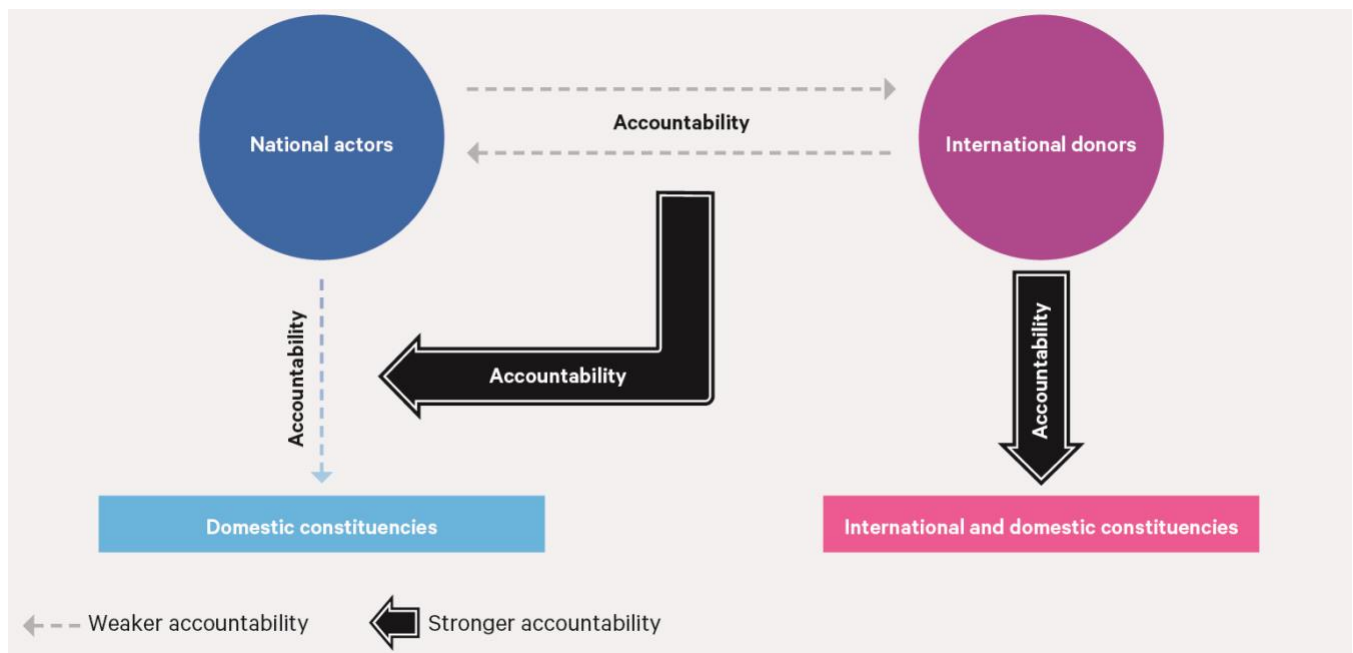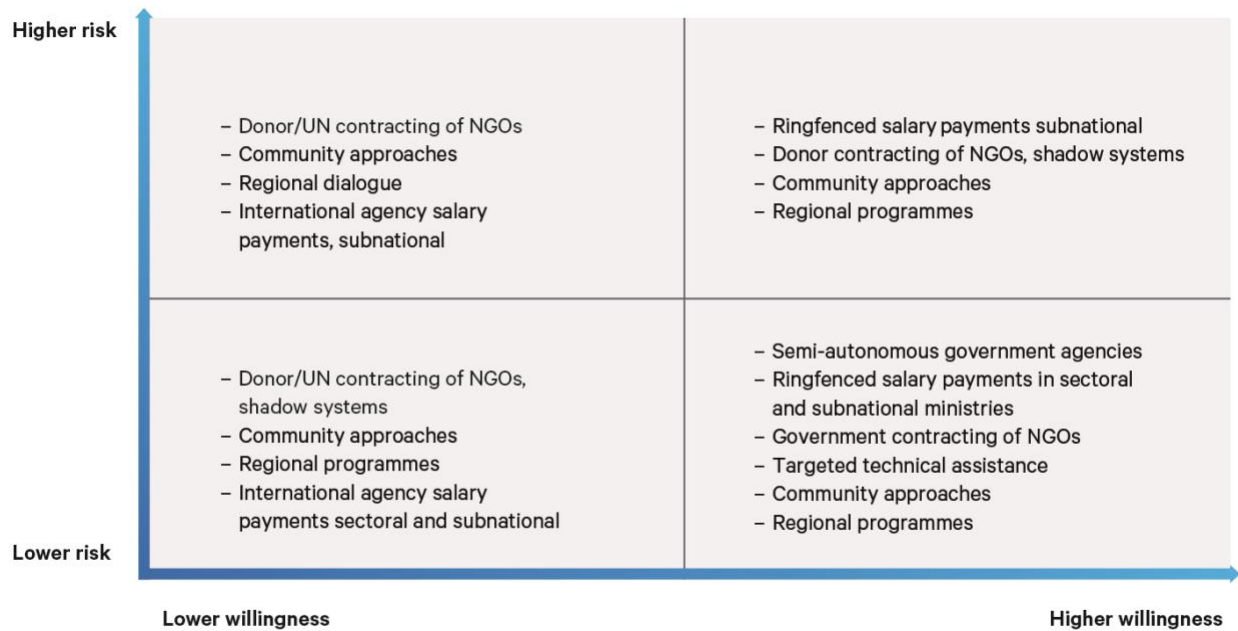
Figure 4: Menu of options for delivery modalities

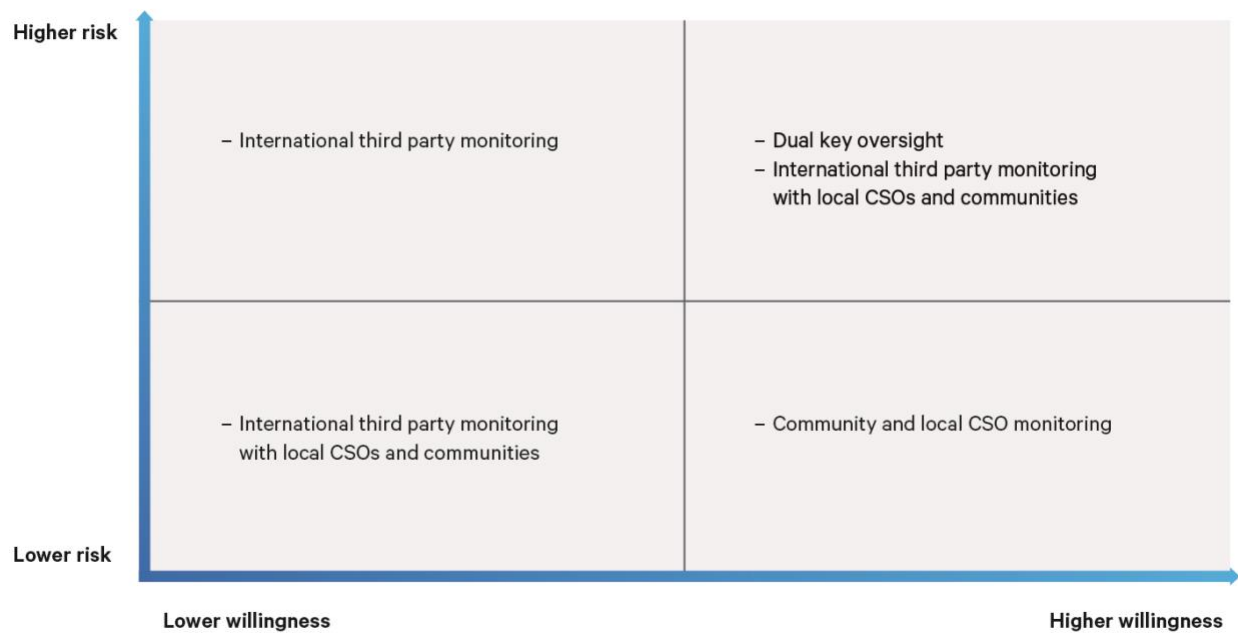|	Lower willingness	Higher willingness
Higher risk	– Donor/UN contracting of NGOs – Community approaches – Regional dialogue – International agency salary payments, subnational	– Ringfenced salary payments subnational – Donor contracting of NGOs, shadow systems – Community approaches – Regional programmes
Lower risk	– Donor/UN contracting of NGOs, shadow systems – Community approaches – Regional programmes – International agency salary payments sectoral and subnational	– Semi-autonomous government agencies – Ringfenced salary payments in sectoral and subnational ministries – Government contracting of NGOs – Targeted technical assistance – Community approaches – Regional programmes

- **Fifth, we propose that donors redefine basic services assistance based on country experience.** Aid to estranged settings is usually restricted to a limited number of basic services, health, education, water, sanitation, and hygiene (WASH), etc. But support for key macroeconomic, livelihood and community-level justice and dispute resolution functions can be essential for the adequate provision of social services, and to reduce risks of further spillover from economic collapse. This is because: (i) humanitarian aid cannot be effectively delivered without currency exchange arrangements, payment systems and community dispute resolution, as we have seen in Afghanistan—or limited support for utilities, as with Gaza; (ii) livelihoods, agriculture, and survival of private sector job creation are essential to avoid even larger scale population displacement, as in the Sahel or Yemen (although private sector links should be examined for the extent of regime sector in each case).

Figure 5: Redefining basic services in estranged situations

Basic services	Basic services in politically estranged settings
Healthcare Education Water and sanitation Camp management Cash assistance/Social protection	Healthcare Education Water and sanitation Camp management Cash assistance/Social protection Community dialogue and dispute resolution Macroeconomic stability, payment systems and currency exchange Livelihoods/private sector support (in some cases) Utilities necessary to deliver humanitarian aid

- **Sixth, the report is the first to look cross-regionally at oversight mechanisms.** Here we find too much default reliance on private sector third-party monitoring, with a potential to use more local capacity than is currently the case, with attention of course to security risks for civil society and communities. Oversight mechanisms are as important as choice of modalities to maintain donor domestic support. We also include coverage of regionally-led and quite robust oversight mechanisms where simultaneous high-risk and willingness of the authorities to compromise make these relevant, such as the dual-key approaches used in Bosnia and Herzegovina and Liberia where regional experts, in Liberia's case through South-South and Triangular Cooperation, were made available to help preserve local institutional capacity and facilitate continued funding from Western donors.
- **Seventh, the paper proposes new approaches to conditionality.** Conditions are inevitable in estranged situations—both because it is right to monitor the use of funds, and because donor constituencies need to hear it. But conditionality has become very complex. We need to slim down conditions to those that are most feasible, drawing from both core humanitarian and development principles—humanity and a people-centered approach, impartiality and non-discrimination in both delivery organizations and beneficiaries, access, transparency, and redress. It is also generally better to apply conditions subnationally than through all or nothing national redlines.
- **Eighth, it produces some direction of travel and guidance on dialogue,** in particular looking at the untapped potential for development and humanitarian issues to act as an entry point for peacebuilding dialogue, as with the Three Diseases Fund or trafficking under the previous military regime in Myanmar. Dialogue is essential to identify positive prospects for change.

Figure 6: Menu of options for oversight mechanisms

Higher risk

– International third party monitoring

– Dual key oversight
– International third party monitoring with local CSOs and communities

– International third party monitoring with local CSOs and communities

– Community and local CSO monitoring

Lower risk

Lower willingness

Higher willingness

- **Ninth, we apply these parameters to subnational as well as national cases.** We find that it is useful to think about applying the same modalities and oversight mechanisms at subnational level, *while also adjusting national programs*—as was done in Ethiopia after the contested election of 2005 with the protection of their basic services program.
- **Last, in policy terms, we also consider adaptive program lessons, looking at the practical level to how donors adjust approaches to both deterioration and improvement in circumstances.** Most donors have adopted some variant of adaptive and flexible processes, but in our interviews, few were aware of the full range that had been adopted by others. These include:
    a. *focusing on adaptation in the overall portfolio, not only for individual projects* to move resources between modalities quickly;
    b. *trialing solutions more,* including embedding trialing, evaluation, and scale-up in the design of programs;
    c. *adopting emergency mechanisms to change development objectives mid-stream,* enabling project restructuring;
        - **considering contingent zero-based components in projects,** where project design includes components that are unbudgeted but can be activated without new project approvals —allowing for example for faster response to the earthquake in Syria, and
        - **adopting indefinite quantity or indefinite time contracting**, for those donors whose rules allow it.

A lot of what we recommend can be piloted or expanded immediately on the ground. But both humanitarian and development actors have reported to us long periods of uncertainty and churning, where it was unclear what they were authorized to do by headquarters or donors (Afghanistan, community development corporations; the different treatment of African coups). This is in many ways normal—the situations are sensitive, and there is a need for capital or headquarters-level oversight. A middle way might be to adopt a framework approach to these situations, with a general strategy on conditionality and dialogue and a menu of options for modalities and oversight that act as a basis. These can and should then be modified to circumstances in different countries and consulted with regional organizations, but a basic strategy and framework would assist in a fast response, one that both helps people struggling on the ground and recognizes the geopolitical context.

In conclusion, looking now at what we do in these cases can also inform broader approaches to what estranged states mean for the future of development approaches. Given that these cases are growing, there is an argument to be made where it should make us reassess approaches to vulnerability and fragility, not just to tackle currently estranged situations but to prevent occurrence in other contexts.