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# ARRESTED DEVELOPMENT IN FRAGILE STATES OPPORTUNITIES AND GUIDANCE FOR USAID PROGRAMMING

June 2006

This publication was produced for review by the United States Agency for International Development. It was prepared by William Newbrander on behalf of BASICS.



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OPPORTUNITIES AND GUIDANCE FOR  
USAID HEALTH PROGRAMMING

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## Recommended Citation

Newbrander, William. 2006. *Arrested Development in Fragile States: Opportunities and Guidance for USAID Health Programming*. Arlington, Va., USA: Basic Support for Institutionalizing Child Survival (BASICS) for the United States Agency for International Development (USAID).



U.S. Agency for International Development  
Bureau for Global Health  
Office of Health, Infectious  
Diseases and Nutrition  
Ronald Reagan Building  
1300 Pennsylvania Ave., NW  
Washington, D.C. 20523  
Tel: (202) 712-0000  
Email: [globalhealth@phnip.com](mailto:globalhealth@phnip.com)  
[www.usaid.gov/our\\_work/global\\_health](http://www.usaid.gov/our_work/global_health)

BASICS  
4245 N. Fairfax Dr., Suite 850  
Arlington, VA 22203  
Tel: (703) 312-6800  
Fax: (703) 312-6900  
Email: [basics@basics.org](mailto:basics@basics.org)  
[www.basics.org](http://www.basics.org)

Support for this publication was provided by the USAID Bureau for Global Health

BASICS (Basic Support for Institutionalizing Child Survival) is a global project to assist developing countries in reducing infant and child mortality through the implementation of proven health interventions. BASICS is funded by the U.S. Agency for International Development (contract no. GHA-I-00-04-00002-00) and implemented by the Partnership for Child Health Care, Inc., comprised of the Academy for Educational Development, John Snow, Inc., and Management Sciences for Health. Subcontractors include the Manoff Group, Inc., the Program for Appropriate Technology in Health, and Save the Children Federation, Inc.

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# 1. Characteristics of Arrested Development States

## 1.1. Definitions

The current USAID typology lists four possible conditions of fragile states: deteriorating governance, arrested development, post-conflict, and early recovery. The legitimacy and effectiveness of government are the two primary components used in the typology to define and describe fragile states. Legitimacy is the ability of the government to work in the interest of the public and demonstrate fairness to all groups in providing security and services (USAID 2005, “The USAID Fragile States Assessment Framework”). Willingness or political will is another term used to describe legitimacy.

Effectiveness means the ability of government to (1) maintain security and order and (2) provide public goods and services to citizens. The extent of this capacity can be measured not only quantitatively—in terms of getting things done—but also qualitatively: how well does the government do in governing and in providing services? Table 1 illustrates these elements with relation to the four categories of fragile states.

**Table 1: Characteristics of Fragile States**

	<b>Deteriorating</b>	<b>Arrested Development</b>	<b>Post-Conflict Transition</b>	<b>Early Recovery</b>
<b>Effectiveness (capacity)</b>	• Declining	• Low for extended period	• Low, but ready to rise	• Increasing
<b>Legitimacy (will)</b>	• Declining	• Low for extended period	• Transitory	• Increasing
<b>Manifestations and risks of fragility</b>	• Increasing risk of violence	• Chronic underperformance • Potential for violent responses to government failures	• Recent violence • Humanitarian crisis	• Declining international aid provided

This paper will focus on states whose development is considered to be stalled. Arrested development may refer to a country that has had high capacity or effectiveness in the past but whose development has stagnated for some time. Or it may be a country that has experienced a recent setback or major reversal due to political change or some other shock. A shock could be economic, such as a change in the demand for or prices of commodities that are exported and represent the major source of income for a country. Or a shock could occur where an authoritarian government stops political or economic reforms and development in its drive to consolidate power and eliminate any threats to

its control. This could be a country that is politically isolated internationally, such as North Korea. The two arrested development countries considered in this paper are Myanmar (Burma) and Guinea.

Discussion about fragile states often centers on conflict, on the assumption that most fragile states are either heading into possible conflict (deteriorating) or have had a recent conflict (post-conflict or early recovery). Arrested development, however, does not require conflict as a precondition. These states may actually be “chronic underperformers.” That is why some analysts question the inclusion of this category within the fragile state framework. But arrested development may be an entry point into addressing the causes of fragility according to Meagher (2005).

This analysis uses the definition of arrested development states as those that are ineffective in providing basic government services, because they lack either the capacity or the political will to provide the services. The result is the same in either case: life for the people of that country is very difficult—there are few or no social services, security may not be assured, and the country is a weak performer economically. Because of these characteristics of arrested development states, there may be options for USAID missions not only to make a positive impact on conditions in the near term but also to contribute to longer-term development of the health sector.

#### **Summary: Arrested Development in Fragile States**

- **Characteristics**
  - Low legitimacy: unwillingness to work in the interest of the public
  - Low effectiveness: inability to provide core government services and security
  - Impact on health: low health status due to poor living conditions, poverty, and ineffective health system
  
- **Country Examples**
  - Guinea
  - Myanmar

### **1.2. Addressing the Root Causes of Arrested Development**

Because arrested development states often underperform due to a combination of poor economic performance and poor government, there are several requirements for facilitating improvements in those states. The mix of these elements depends on the context of the particular country.

First is the need for economic growth to generate income for households and revenues for service delivery by the government. Arrested development states often have a stagnant economy and high inflation. The result is a continual decline in living standards. Hence economic growth is necessary for these states to move to transitional development. A change in the form of government, or the officials heading government, may also be needed for the state to have the will to provide for its population.

A third need is to reverse the breakdown of social coherence and loss of social services. A functioning civil society must exist to complement the efforts of the government to promote social development. In countries with a strong social fabric, political or economic shocks are not devastating because civil society can fill the gaps left by government and help maintain social equilibrium and cohesion in communities. Where civil society is strong, it is capable of stepping in where government is weak to reconstitute missing state functions. Civil society has often been undermined or eliminated by the state where there is a strong authoritarian government, as in Myanmar or North Korea. In arrested development states, it is important to build up the elements of civil society and nurture them until they are again able to provide the “glue” that helps hold society together.

Security is a fourth requirement. External security is needed for a country to be free from the threats posed by neighboring countries, and internal security is needed to facilitate development. Threats to internal security can be the breakdown of law and order, a dysfunctional justice system, or tensions between ethnic groups. An arrested development state requires both internal and external security to progress to transitional development.

Underlying all these elements is the need to strengthen governments’ capacity to govern and oversee the provision of basic services to the population. Two related questions emerge: Can improved health directly or indirectly affect the causes of fragility in arrested development states (economic stagnation, government not working in the public interest, weak civil society, and lack of security)? And can improvements in health help these countries move out of fragility? This paper addresses that issue after reviewing the two countries that illustrate arrested development.

#### **Summary: Keys for States to Move out of Arrested Development**

- **Economic growth**
  - Generate household income
  - Generate revenues for service delivery by government
- **Government change**
  - Change the orientation of government so it has the will to provide for its population OR
  - Change of government to one that has the will to improve life for its citizens
- **Civil society built up**
- **Security restored**
- **Capacity built**
  - Making the state effective in providing services
  - Increasing accountability for providing services effectively

## 2. Arrested Development States: Examples from Guinea and Myanmar

Guinea is a country whose development is arrested. It is making little, if any progress, toward achieving transformational development. Similarly, Myanmar's development is not advancing, a problem attributable to the government's desire to hold onto power at all costs. This section reviews the similarities and differences between these two states with regard to the four dimensions of state activity—political, economic, social, and security—as well as the health system.

### 2.1. The Political Dimension

**Guinea.** There has been political stability for a long time in Guinea, whose current president has been in power since 1984. The president recently fired his prime minister “for cause,” although some people conjecture that he was becoming too powerful. The stability of government has come with a price, however. There is minimal participation of the population in government, and criticism is not tolerated, since there are few political rights. Corruption and rent-seeking behavior have resulted in citizens feeling they have no recourse to rectify injustices. Civil society is weak, as people must exert all their energy simply to survive. Similarly, civil society organizations are weak and do not have much capacity and therefore play a minimal role. The lack of a voice for citizens and of governmental accountability for its actions, as well as no rule of law, have produced an ineffective government without legitimacy.

**Myanmar.** The country remains under military rule, with little opposition allowed. Several attempts to move toward democracy have been described as “window dressing,” with Senior General Than Shwe continuing to consolidate further not only his political and military control of the country but also economic control. Cease-fire agreements exist with most ethnic groups. However, the economic hardships imposed on the people are causing many to seek other means of livelihood, such as those available along the Thai border. This situation has displaced many people within the country. It is difficult for civil society organizations to operate in the country due to military control and suspicion of such groups.

### 2.2. The Economic Dimension

**Guinea.** Guinea is richly endowed with natural resources, such as gold, diamonds, iron ore, and bauxite. It also has an abundant supply of renewable resources, such as river waters that can be harnessed in hydropower plants to provide electricity throughout much of the country. Agriculturally, it has the advantage of plentiful rainfall and soils of reasonably good quality to sustain the population and, if governed properly, to provide a surplus for export. Despite these natural advantages, there is increasing poverty, high rates of inflation, and dependence on a single export commodity. The difficulties of government corruption and the economic crisis create a poor atmosphere for investment. Compounding the poor state of the existing population is the fact that population growth is outpacing economic growth. Hence the economic outlook for the country is bleak.

**Myanmar.** The economic situation in Myanmar continues to deteriorate. Much of this deterioration is due to the policies pursued by the current military government over the years. The political ostracism of the country has resulted in various sanctions, including restrictions on the use of dollars, to pressure the military to pursue democratic means of

government. These sanctions have made it difficult for Myanmar to participate in the international economy, and the lack of external markets has resulted in the loss of many industrial jobs. The result is significant economic hardship for many in the country: over a quarter of the population lives on less than US\$1 per day. Many have relocated to areas bordering Thailand, where there is better safety and more economic opportunities.

### **2.3. The Social Dimension**

**Guinea.** Government-provided social services have deteriorated in recent years in Guinea. The public services of health, education, water, and electricity are nearly nonfunctional. There is little human capital formation at present, and literacy is low (36% for males and 14% for females). Human development indicators have remained low and shown no sign of improvement over time. Guineans, who see no major improvements in their daily lives, have concluded that the government is ineffective and lacks legitimacy.

**Myanmar.** The strict controls by the military government and its lack of willingness to provide the basic social services in Myanmar have led to great difficulties for much of the population. The deteriorating economy means that the government, even if it were willing, is unable to improve social services. Much of the government revenue that is available is spent on keeping the military well equipped and ensuring that military members are well paid, to foster loyalty to the regime. The rest of the Burmese population suffers due to this misallocation of scarce resources. The educational system is in poor condition, although 90% of the adult population is literate. The government closes the universities frequently as a means of squelching the growth of any political dissent and opposition to its rule. There is little development of human capital in the country.

### **2.4. The Security Dimension**

**Guinea.** While the government of Guinea has protected its borders, there is still a sense of insecurity caused by extortion by government officials, violations of human rights, and a weak justice system. People have no means of redress of grievances. High crime rates make people vulnerable to indiscriminate attacks and losses, with the police providing little assistance and ineffective attempts to combat crime and protect vulnerable groups. Hence the police are generally considered useless. Furthermore, the question of who will succeed the elderly president leaves the population wondering if there will be turmoil upon Conte's death or a military takeover of government. These concerns cause a constant state of insecurity for Guineans.

**Myanmar.** While Myanmar faces few external threats, there have been ethnically based insurgencies. The military rulers have been able to establish cease-fire agreements with most of these groups. Due to military control of all aspects of life and the constant threat of nonjudicial summary executions and killings, torture, forced labor and other abuses, particularly among ethnic groups, security is lacking for many in Myanmar. The primary objective of the military and police is maintaining control and power, so the people cannot avail themselves of an honest police force or judiciary.

## 2.5. The Health Sector

**Guinea.** Health indicators in Guinea continue to stagnate or worsen in some cases. This is partly because the health system is barely functioning. While health facilities in rural areas may continue to operate, they usually do so without supplies of medicines. The government has had difficulty purchasing pharmaceutical products, due to the poorly performing economy and rising inflation, which means it can purchase fewer and fewer drugs for the health system. The drugs that are purchased are subject to large-scale “leakage” from the system and diversion to the private practices of health providers. The only options for the public are to purchase the drugs privately or forego treatment, and the drugs purchased are of questionable efficacy. The hospitals are also close to nonfunctional, due to the low morale of staff, who must supplement fixed incomes that are subject to high inflation with private practices. HIV/AIDS is a substantial concern and risk to the population as well. Overall, the health of the population, by various measures, is in a downward spiral.

**Myanmar.** Health indicators in Myanmar are not good, especially compared to those of neighboring countries. Life expectancy is 57 years versus 69 years in Thailand. Infant mortality is 77 per 1,000 live births. The displacement of many people has made them much more vulnerable to infectious diseases, which are among the top health issues of the country and include malaria, tuberculosis, HIV/AIDS and sexually transmitted infections. Malnutrition is also a severe problem due to the poor economic conditions in the country. Much of the assistance to Myanmar’s population is being given from across the border, since civil organizations and NGOs have great difficulty operating within the country. Availability of basic health services is uneven, and many of the services that are available are provided by relief organizations and NGOs. The Burmese health system has focused primarily on urban areas and curative care despite the prevailing health problems. The quality of the available care is low. Drugs are difficult to keep in stock, since the country does not have enough foreign currency to purchase drugs; most foreign reserves are spent on the military. In brief, Myanmar is suffering a major health crisis. UNICEF has described Myanmar’s health situation as a “silent emergency.”

## 2.6. Summary of Issues

Both countries, Myanmar and Guinea, have had underperforming economies. Much of this is due to their governments’ seeing their primary purpose as maintaining power and not investing in their people or seeking to improve their lives and provide the basic core services of government. The countries differ in that Myanmar has had greater international pressure exerted on it to seek democratic reform. Politically, both countries have low levels of effectiveness and legitimacy. In economic terms, both governments have low effectiveness and legitimacy, and there is a critical situation in both countries, with people soon to be driven to the point of desperation and the concomitant potential for violence. Socially, Guinea and Myanmar have low effectiveness in delivering necessary core services. USAID has assessed Guinea as having moderate legitimacy in social factors, while Myanmar would be considered to have low or extremely low legitimacy. Finally, for security both Guinea and Myanmar rank low in both effectiveness and legitimacy.

The key issue seems to be that neither government has the will to provide basic core services and security for the populations. Both governments have a greater self-interest in maintaining their grip on power than in using limited resources to provide what their populations need. Therefore both governments lack effectiveness and legitimacy in all four dimensions of fragility—political, economic, social, and security. The health services of these countries also lack focus; little is done to provide basic services or drugs.

#### **Summary: Comparison between Arrested Development States**

- **Common characteristics**

- Low legitimacy: Government has little will to govern appropriately
- Low effectiveness: Inability to provide core government services and security
- Autocratic governments not willing to allow democratic reform
- Impact on health: Low health status due to poor living conditions, poverty, and ineffective health system

- **Differences**

- Guinea: potential for economic growth due to natural resources and arable land; civil society organizations permitted to operate in country
- Myanmar: Much greater potential for human capital is wasted by lack of investment; work on civil society must be done on cross-border basis

### **3. Why Should USAID Consider Providing Health Services in Arrested Development States**

Since USAID seeks to address the root causes of fragility, it should be involved in the health sector in fragile states only if improved health and health services have the potential to mitigate or reduce the root causes of fragility. As we have seen, fragility relates to political, economic, social, and security issues. These issues interact in complex ways when we try to address the root causes of fragility. There are three principal ways in which health interventions can indirectly reduce the causes of fragility, especially social ones; these interventions are discussed below as reasons for USAID's involvement. Further study is needed to assess the direct impact of health interventions on the root causes of fragility.

The first reason why USAID should be involved in providing health services in arrested development states is the humanitarian response requirement. When a health crisis is unfolding—in terms of high morbidity or mortality rates, accompanied by widespread human suffering and tragedies—then there is an obligation to act. This is a US Government foreign policy imperative and is not limited to USAID obligations.

Second, health service delivery may be a good way to become involved with a fragile state as a means of addressing the causes of fragility, whether they be political, economic, social, or security. Provision of health services can be a means of improving the government's legitimacy because health services demonstrate the government's willingness and capacity to provide some basic services. Health services can also serve as an entry point for broader government reforms by encouraging people's hopes for the future and motivating them to push the government to make other reforms—political, social, economic, and security.

Finally, health service delivery may help prevent fragile states from slipping into violence and chaos. Arrested development states may not have experienced violence in the past but are susceptible to it because the causes of fragility are still present. These deep-rooted issues that are not easily changed in the short term are often the structural causes of conflict. Especially for arrested states that may have suffered violence in the past, health services can demonstrate the advantages of peace and give the fledgling government more “breathing space” in which to pursue further reforms and betterment of people's lives. If there was no conflict in the past, the improvement of conditions for the population will act as a deterrent against violence. In Guinea, for example, the long tenure of the current president has led to a lack of conflict despite deteriorating conditions. However, with this aged president, the potential for violence is just under the surface and may explode when there is a transition to a new government.

## 4. Opportunities for Health System Development in Arrested Development States

In arrested development states, there are issues with both capacity (e.g., effective delivery of basic services) and will (e.g., government legitimacy as demonstrated by provision of basic services).

### 4.1. Capacity (Effectiveness)

Where capacity is weak there is the opportunity to work through state and non-state providers to build capacity and strengthen service delivery. Which actor or combination of government and non-state providers to use depends on the situation. Where there has been little government provision of health services (low effectiveness), it will be necessary to harness the capabilities of NGOs, often via the government's contracting with NGOs to provide health services. Contracting arrangements can use performance indicators that target the services to meet national health objectives (e.g., immunization rates for fully immunized children under five). This kind of contracting will work, however, only where the government is willing to provide services. For example, contracting may be possible in Guinea but is not feasible in Myanmar at this time due to the government not wanting to relinquish some power to NGOs providing services. Neither has Myanmar been willing to seek to provide services that target the main health problems and the rural population. Rather it maintains a focus on curative hospital care for urban populations. Table 2 provides a summary of possible interventions.

<b>Table 2: Possible Interventions in Health to Address the Capacity and Effectiveness of Governments in Providing Services in Fragile States</b>		
	<b>Level of Capacity/Effectiveness</b>	
	<b>High to Moderate</b>	<b>Moderate to Low</b>
<b>Possible interventions</b>	<ul style="list-style-type: none"> <li>• Consider earmarking direct budget support for the health sector</li> <li>• Use NGOs to provide services through contracts with government</li> </ul>	<ul style="list-style-type: none"> <li>• Use NGOs to provide services through contracts with USAID</li> <li>• Use global health partnerships to address specific diseases</li> <li>• Take longer-term approach through commitment to NGOs for provision for mid-term to long term</li> </ul>

### 4.2. Will (Legitimacy)

When the government lacks the will to provide basic services to its people, it is necessary to use non-state mechanisms from within or outside the country to provide services. The UN agencies, such as WHO or UNICEF, may be the only outside agencies allowed in the country. They may be allowed to coordinate provision of assistance. Another option is to use NGOs on a cross-border basis to provide services to the country. There is some of this options being used in Myanmar because of the government's lack of will or interest in providing basic services for its people.

Where the political will exists in a country, USAID can assist with further improving the government’s capacity and ability to develop policies, implement them, and provide appropriate regulation of the sector. Policy development and implementation can be fostered by supporting government recurrent budget expenditures for the Ministry of Health. In Guinea the government has repeatedly shown interest in bringing about reforms and providing basic services. The results have been less than promising. As a consequence, for a period of time donors had pulled back. At present, there appears to be an interest by the government and donors to bring about real change for the benefit of Guineans. Table 3 summarizes possible interventions related to addressing political will and the legitimacy of government. The readiness of the Guinean government to allow change, compared to Myanmar, makes a number of these options in the moderate to low level of will column viable for USAID in Guinea, but probably not in Myanmar.

<b>Table 3: Possible Interventions in Health to Address Political Will or Legitimacy of Government to Provide Services in Fragile States</b>		
	<b>Level of Will or Legitimacy</b>	
	<b>High to Moderate</b>	<b>Moderate to Low</b>
<b>Possible interventions</b>	<ul style="list-style-type: none"> <li>• Use state mechanisms to coordinate donors and USAID contribution</li> <li>• Use government mechanisms for managing health service provision and monitoring compliance</li> <li>• Provide long-term technical assistance to increase capacity</li> <li>• Support recurrent budget for strengthening health ministry</li> <li>• Support decentralized management of the ministry to push capacity and services to provinces and districts</li> <li>• Support community-based health care initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Provide “quick impact” projects to demonstrate the value of interventions</li> <li>• Use nongovernmental mechanism such as UN to coordinate donors and policy</li> <li>• Use nongovernmental mechanism to manage and monitor providers (e.g., NGOs)</li> <li>• Take longer-term approach through commitment to NGOs for provision for mid-term to long term</li> <li>• Use community-based groups to help create demand for services, monitor services, and strengthen local political and social action</li> </ul>

### **4.3. Interventions under Various Legitimacy and Effectiveness Possibilities**

Since there are different types of arrested development states—some with moderate to low legitimacy but perhaps with moderate to high effectiveness or with low to moderate effectiveness—Table 4 combines Tables 2 and 3 to list possible health-focused interventions according to the four possibilities of fragile state types. This list provides a menu of choices for health interventions in arrested development states, the selection of which will depend on the context and the overall objectives of USAID in a country. These interventions are those that can contribute to addressing some of the causes of fragility in arrested development states.

Fragile states whose development is arrested will predominantly have low legitimacy and low effectiveness, as is the case with Guinea and Myanmar. The interventions appropriate for these states are shown in the shaded lower-right quadrant of Table 4, corresponding to low to moderate effectiveness and low to moderate legitimacy. USAID assistance in provision of health services may require working more with relief organizations and NGOs to take a longer-term view in undertaking programs that will improve the delivery of basic health services. This strategy would include working through the local structures that do exist in order to move resources for health services down to the community level. This strategy also requires, of course, working for positive political and social change. Health services are one way of helping to effect those changes.

<b>Table 4: Summary of Health Interventions in Arrested Development States by Level of Will/Legitimacy and Capacity/Effectiveness</b>			
		<b>Level of Will or Legitimacy</b>	
		High to Moderate	Moderate to Low
<b>Level of Capacity/Effectiveness</b>	High to Moderate	<ul style="list-style-type: none"> <li>• Use state mechanisms to coordinate donors and USAID contribution</li> <li>• Use government mechanisms for managing health service provision and monitoring compliance</li> <li>• Provide recurrent budget support for health ministry strengthening</li> <li>• Support decentralized management of the ministry to push capacity and services to provinces and districts</li> <li>• Consider earmarking direct budget support for the health sector</li> </ul>	<ul style="list-style-type: none"> <li>• Use community-based groups to help create demand for services, monitor services, and strengthen local political and social action</li> <li>• Strengthen information that gets to populations in order to leverage concerted action</li> </ul>
	Moderate to Low	<ul style="list-style-type: none"> <li>• Provide long-term technical assistance to increase capacity</li> <li>• Support community-based health care initiatives</li> <li>• Use NGOs to provide services through contracts with government</li> </ul>	<ul style="list-style-type: none"> <li>• Seek out willing health ministry and local government units, but engage cautiously as there is strong control by government regime</li> <li>• Use nongovernmental mechanism such as UN to coordinate donors and policy</li> <li>• Use nongovernmental mechanism to manage and monitor providers (e.g., NGOs)</li> <li>• Use NGOs to provide services through contracts with USAID</li> <li>• Use global health partnerships to address specific diseases</li> <li>• Take longer-term approach through commitment to NGOs for provision for mid-term to long term</li> </ul>

## 5. Programming and Sequencing Possibilities for USAID Missions

USAID missions have a complex task of not only identifying the root causes of fragility and how those may be addressed to move a state from arrested development to transitional development, but also identifying other issues and programming options to address them. Missions should be alert to and seize opportunities to intervene, for example, by looking for areas of vulnerability and considering what health interventions can help mitigate them. The programming possibilities listed in this section are divided by approximate time frame. The categories are not mutually exclusive—rather there may be overlap as a USAID mission sequences its programming interventions.

### 5.1. Urgent Health Needs (1–6 months)

In humanitarian crises that may emerge in arrested development states, provision of any or all of the following may be appropriate to address urgent health needs:

- immunizations
- essential drugs and vaccines
- HIV/AIDS prevention, care, and treatment
- humanitarian assistance and care for internally displaced persons and refugees
- begin laying foundations for health policy and health system development.

### 5.2. Quick-Impact and Medium-Term Responses (6–18 months)

There are a number of activities that USAID missions can support for moving a country from a crisis to longer-term positive development. When there has been conflict, some of the interventions seek to bolster initiatives for peace with health interventions as well as provide health care to the most vulnerable. However, as arrested development states are seldom moving out of conflict, the need is to address current problems, including:

- **maintenance of existing services:** Preserve basic health services and extend them to cover services required by referral system;
- **expansion of services:** Provide basic health services through NGOs;
- **pharmaceutical management:** Improve drug supply;
- **promotion of community participation:** Build capacity to respond to specific health concerns by promoting community involvement in identifying health needs and approaches to addressing those needs;
- **development of health sector policy and regulation:** Begin reforms necessary by starting with the basic policy and regulatory role of the Ministry of Health;
- **creation of infrastructure:** Construct and rehabilitate strategic health facilities, especially for needy populations.

### 5.3. Longer-Term Development Responses (18 months–5 years)

With a longer-term perspective, the range of options is much broader. The USAID mission will need to develop a strategy to select the interventions that will help the most in moving the arrested development state toward transitional development and should harmonize its activities with those of other donors.

- **Access and equity:** Increase access to basic health services;
- **Involvement of civil society:** Engage civil society to meet the health needs of the population, especially for specific diseases, such as HIV/AIDS;
- **Policy and regulation:** Provide technical assistance to the Ministry of Health, if USAID is engaging the government, to build its capacity and develop a policy framework for health sector;
- **Planning capabilities:** Develop the government's capacity to analyze information, make long-term plans, and develop intermediate plans of action for implementation;
- **Capacity development:** Develop human resources for health by working with training institutions and on testing and certification systems;
- **Community participation:** Develop hospital boards and local health committees to empower local communities;
- **Disease surveillance:** Help develop sentinel surveillance and response systems to monitor diseases;
- **Prevention and control of diseases:** Address the problems of TB, HIV/AIDS, and malaria;
- **Private-sector capacity:** Develop the capacity of private-sector providers to meet health service needs while simultaneously strengthening the government's capacity to regulate the private sector;
- **Sustainability:** Address issues of long-term sustainability of health services.

### 5.4. Trade-Offs in the Chosen Modality of Work

Arrested development states may be difficult to work with because the host government does not seek aid or because donors are forbidden to openly work directly with government. Within these limitations, USAID missions have choices, such as working vertically or not; or, if the mission is attempting to be part of the health system, working with the government or with NGOs.

Working vertically can help get health programs started quickly. The ability to influence and monitor the results is greatest with this model. A vertical model of intervention can allow USAID to better target the beneficiaries of the health program, and it may help influence the government through external pressure. This vertical approach can be costly, however, as it may require heavy reliance on expatriates to implement it. And a program developed as a vertical program may be difficult to integrate into the public sector later. The salaries paid to local professionals and staff by international NGOs may be substantially higher than those paid by the government, further weakening the capacity of the government and civil service. Finally, a vertical program may be seen as a pilot and may be very difficult to scale up later.

An integrated model of using government and international NGOs to deliver services has the advantage of using existing state networks to get services to people most in need. A program implemented in an integrated fashion helps develop capacity so that there is something left behind. It also does not skew incentive systems. This is a less costly model for obtaining the same services as the vertical model. However, the integrated model also has drawbacks. For instance, there may be existing flaws in the health system that create tremendous barriers to further progress. If the government is not in control of all areas of the country, there may be restrictions on where the program can be targeted, such as incentive systems that financially reward providers for giving curative care more than preventive and public health services. Or a health system that allocates a disproportionate share of health resources—financial, human, and equipment and supplies—to curative care benefiting primarily urban populations. The program may also face problems in scaling up, since it will be constrained by the existing systems and capacity.

## 6. Conclusions

In light of the background on arrested development in fragile states and the two countries examined in this paper, some potential interventions in health for USAID missions to consider have been provided. These possible interventions have several implications. It is essential that missions have a thorough understanding of the political, economic, social, and security situation and issues in a given country. It is not possible to have a “cookbook” of interventions, because each situation is different. So a thorough understanding of the fragile state’s context is necessary to determine not only what interventions will help improve health but also which ones will assist in building a state with good government.

Each situation will require making trade-offs. The mission will have to balance the pressures for short-term interventions that produce “quick-impact results” and the longer-term objectives of nation building and reforming the health system. Country strategies need to not only identify the short-term opportunities to make a visible impact on health but also identify the steps for moving to transformational development.

With health serving as an entry point for addressing fragility issues, the objectives of the mission will determine the health interventions that are chosen. For instance, if the objective is to support a government with good potential, then the mission will seek to use the state as the entry point. If the state is a problem and needs to be changed, an international organization, such as WHO or UNICEF, may serve as a substitute for government structures in order to provide humanitarian assistance and start the process for longer-term change. Community-based organizations may also serve as an entry point, although we have seen that this is not a viable option in Myanmar, where community structures are nearly nonexistent as part of state design.

Because arrested development states are difficult environments—they are chronic underperformers, USAID missions will have to employ a mix of approaches and health interventions due to changing circumstances and as sudden opportunities present themselves. The need to be nimble, able to adjust and change programs quickly, requires USAID missions to work with a range of interventions and approaches in order to take advantage of existing conditions. This flexibility will also position them to adapt quickly as circumstances change. This is why local missions must have the authority to make decisions in the field and adjust use of resources quickly.

We should recognize that health services, by themselves, will not be sufficient to change governments and improve the lives of the population. Rather, health services provided in combination with improved security, better opportunities for livelihoods through economic improvements, and people having a greater say in their lives and communities through democratic changes will help improve the legitimacy and effectiveness of a fragile state. Health interventions in arrested development states by themselves will not lift a country out of fragility. Key health programming by USAID missions is a necessary but not sufficient condition for addressing the root causes of fragility. Rather, strategically targeting USAID health programming interventions which compliment other mission programming can contribute to the prevention of conflict, can contribute to building democratic practices, and can spur economic growth that is equitable in terms of who receives the benefits.

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