

# Conflict Pool Strategic Guidance April 2013



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## CONFLICT POOL STRATEGIC GUIDANCE

***Vision: The Conflict Pool delivers measurable impact in the Government's highest priority fragile and conflict affected states, in support of the Building Stability Overseas Strategy, using its comparative advantages of flexibility, blend of ODA and non-ODA resource, rapid response, and scope for innovation and risk-taking.***

### **PART ONE: STRATEGIC CONTEXT AND SCRUTINY**

The Conflict Pool, established in 2001 and re-structured in 2008, is funded from a separate HM Treasury Conflict Resources settlement, which also funds the Peacekeeping Budget. It is managed jointly by the Department for International Development (DFID), the Foreign and Commonwealth Office (FCO) and the Ministry of Defence (MOD). The context and direction of the Conflict Pool's work is shaped by higher level Government strategies:

The **National Security Strategy** (NSS - 2010) affirmed a vision for the UK as an open, outward-facing nation while noting that openness brings vulnerabilities. The NSS therefore established a core objective for the Government to manage risks to the UK and its interests overseas by helping to shape a stable world.

The **Strategic Defence and Security Review** (SDSR - 2010), published immediately after the NSS, committed the Government to a national security task to help resolve conflicts and contribute to stability. To achieve that, the Government would take an integrated approach to building stability overseas, bringing together better diplomatic, development, military and other national security tools. The Government would need to prioritise, focusing on those fragile and conflict-affected countries where the risks were high, where the UK's interests were most at stake and where it was clear that UK action could have impact.

The **Building Stability Overseas Strategy** (BSOS - 2011) flowed from the NSS and the SDRS and was informed by the events of the Arab Spring, and the insight that stability can only be achieved when a society has the strong and legitimate institutions it needs to manage tensions peacefully. The Building Stability Overseas Strategy (BSOS) set out clear principles by which the Government would seek to influence earlier the factors generating violent conflict and instability by:

- **Acting further "upstream" in the conflict cycle.** The BSOS highlighted the building and strengthening of three specific areas, on which the Conflict Pool should concentrate:

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- Free, transparent and inclusive political systems;
  - Effective and accountable security and justice (including defence engagement);
  - The capacity of local populations and regional and multilateral institutions to prevent and resolve the conflicts that affect them.
- **Improving our ability to respond rapidly to emerging crises**, as well as to emerging opportunities to prevent conflict. As part of this, the BSOS created within the Conflict Pool an Early Action Facility of £20m per annum.

The BSOS also recognised the importance of alignment with other cross-government strategies such as the CONTEST Counter Terrorism Strategy, the Organised Crime Strategy, the Defence Engagement Strategy and the National Action Plan for UN Security Council Resolution 1325 on Women, Peace and Security.

The BSOS committed the Government to a reform agenda for the Conflict Pool to improve its ability to demonstrate results; and made provision for multiyear funding across a number of Financial Years, to deliver sustained commitment and effect when needed.

The Conflict Pool has a range of comparative advantages in the way it operates. Its mix of Official Development Assistance (ODA) resources and non-ODA enables the Pool to be used in a wide range of situations. Its speed and flexibility is a particular asset. This Strategic Guidance seeks to define better these distinctive assets, ensuring the Conflict Pool is used to maximum effect as part of the Government's implementation of the BSOS.

### Scrutiny and Challenge

Since the publication of the BSOS two important, independent processes of scrutiny and challenge have been undertaken by the National Audit Office (NAO) and the Independent Commission on Aid Impact (ICAI).

The National Audit Office (NAO) [reviewed](#) the Pool in March 2012. It welcomed the process of collaborative working and the ability to challenge among the three Departments. It recommended streamlining processes and efficiency improvements, as well as a strengthened focus on outcomes, indicators and targets, on developing an evaluative culture and improving conflict management expertise.

The Independent Commission for Aid Impact (ICAI) [evaluated](#) the Pool in July 2012. ICAI concluded that the Pool had proved effective at identifying and supporting worthwhile conflict prevention initiatives and delivering useful, if localised, results. But it recommended a clear strategic framework for the Conflict Pool, including its comparative advantage in relation to DFID's activities; identifying a funding model best suited to the Pool's specific objectives in different contexts; simplifying management structures; and developing a balanced monitoring and evaluation system at both the strategic and project level. This Strategic Guidance seeks to reflect both reviews' main recommendations.

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This Strategic Guidance is primarily aimed at HMG staff working on the Conflict Pool as well as interested stakeholders outside Government. The tri-departmental Building Stability Overseas Board is responsible for implementation.

## **PART TWO: THE CONFLICT POOL'S COMPARATIVE ADVANTAGES: HOW, ON WHAT AND WHERE IT SHOULD BE USED?**

### **How the Conflict Pool delivers differently and distinctively**

The Conflict Pool's main comparative advantages lie in the different ways in which it can work:

**Operating Flexibility:** The Pool operates in a highly flexible way. Not all the characteristics below are unique, but collectively they represent a distinct advantage for a single funding stream:

- **Range of work:** technical assistance, capacity building and training; grants for project activity; secondments; equipment and capital spend;
- **Scale:** from small projects to multi-million pound programmes;
- **Partners and delivery:** through HMG personnel direct to host country authorities; via civil society organisations or through international bodies;
- **Local, national, regional, international :** activity can be at any of these levels including on a cross border basis;
- **Timescales:** one-off activity, or short or medium to long term (up to three years initial commitment);
- **Joint funding** with other parts of HMG or with funding from one or more other governmental or NGO donors.

**A mix of ODA and non-ODA resources:** the Conflict Pool can support activities that fall outside Official Development Assistance-compliant resources. Non-ODA resources are especially valuable in security related work. This can allow the Pool to provide niche support to facilitate or support wider ODA-funded programmes. Retention of a significant non-ODA funding element is essential to maintaining the value and identity of the Pool.

**Politically sensitive work:** Conflict and instability dynamics are highly political. The Pool, with the engagement of diplomatic and defence staff in-country, can work in areas that may be too sensitive for development funding. Results should be judged both in terms of specific results and wider influence gained and future opportunities enabled. While the Pool meets its wider obligations on transparency it retains scope, if justified, to avoid public disclosure of the details of projects.

**Risk:** In line with [international practice in fragile and conflict affected states](#) we recognise we can exert limited control over risks in the Pool's operating context. This means we need to balance high levels of programmatic risks – a greater chance that we fail to achieve our objectives – and high levels of institutional risks – e.g. fiduciary, reputational or political. The Pool seeks to manage, rather than avoid, risk and effective risk management is a key consideration for staff working on the Conflict Pool. Unsuccessful projects, if based on sound

assumptions, should not discourage risky work but form part of a learning process to improve the chance of future success. Rigorous monitoring and evaluation is key. Taking calculated risks can be especially suitable for pilot projects and for short term politically sensitive work, provided that this is supported by sufficient and proportionate monitoring. This approach is consistent with our duty to use public funds effectively and demonstrate value for money.

**Rapid response:** Conflict dynamics can change rapidly. Most official resource streams take significant length of time to respond to new demands. The Pool can provide rapid funding through the ring-fenced Early Action Facility which has a streamlined approvals process. The Conflict Pool's geographical and thematic programmes should also be able to respond rapidly to smaller scale rapid interventions outside their normal planning cycles.

### **Conflict and Gender Sensitivity**

While the Conflict Pool has distinct characteristics, which allow it to be used in a complementary way with other Government activity and resources, there are two approaches common to conflict and wider development work, which need to be fully reflected in the Conflict Pool.

#### **Conflict Sensitivity:**

Any intervention, policy or position by external actions, in situations of conflict and fragility will inevitably have an impact on the peace and conflict environment. We need to take care to maximise our positive and minimise our negative impacts. In fragile situations, we may face multiple competing imperatives, particularly between short and long-term objectives. While trade-offs are unavoidable, we should work to achieve the best balance between short-term positive impacts and credible long-term approaches. This requires:

- Fully understanding the specific conflict context in which we are operating;
- Understanding the interaction between our proposed intervention and that context, including possible unintended consequences and how our intervention will be perceived by other actors;
- Acting upon that understanding and taking steps to eliminate or mitigate potential harm and maximise potential positive impacts.

As a conflict sensitive programming resource, Conflict Pool programmes are expected to follow the OECD Development Assistance Committee's ["Principles for Good International Engagement in Fragile States and Situations"](#), adopted by Development Assistance Committee Ministers in 2007. The Conflict Pool Secretariat will develop further guidance to embed these principles in how the Pool operates.

**Gender Sensitivity:**

All Conflict Pool programming should take a gender sensitive approach, in line with the Government's response to UN Security Council Resolution 1325, on Women, Peace and Security. The UK's [National Action Plan](#) sets out how the UK will promote the protection of women and girls from sexual and gender-based violence and the promotion of participation of women at all levels of decision-making in institutions and in mechanisms for preventing, managing and resolving conflict; in peace negotiations and peace operations. When developing activities Conflict Pool programmes should consider how women and girls have been affected by the conflict; how activities can be designed to promote the rights of women and girls and to prevent sexual and gender-based violence; and the scope for identifying and supporting local peace initiatives, mediators and peace building groups with female leadership. We will not adopt a centrally-driven approach: teams in country need to identify the most effective mix of interventions in the local context.

**What should the Conflict Pool do?****Upstream Conflict Prevention**

Upstream conflict prevention is not a new concept to the Pool – which has always undertaken activity at different points in the conflict cycle. It **includes working on fragile states that have already suffered conflict** - most new conflicts occur in countries that have had recent past conflicts. Many of these countries remain among the highest UK priorities. The Conflict Pool should be used smartly on activities with clear conflict prevention and stabilisation impact, not in areas better suited to other HMG and partner resources with wider remits and larger resources. Within this context, the aim is to move the Pool's focus increasingly upstream in line with the three broad priority areas identified by BSOS:

- i) **Free, transparent and inclusive political systems.** Work in this area is generally on medium to long term timeframes, often at significant scale and ODA-compatible. Given limited resources, the Conflict Pool's role will largely depend on others' involvement and its potential to add value. A wide variety of activity is possible depending on local priorities. Pool activity should be of a finite duration with a clear exit strategy, including, in some cases, a transition to funding by others:
  - In many UK-priority fragile states, DFID and other development partners will be active. The Conflict Pool is likely therefore to play a small-scale supportive niche role. Possibilities could include: funding pilot or first stage interventions; technical assistance as part of short term recovery efforts following instability; interventions to promote stability around elections (although not large scale technical support); supporting more sensitive activity with a higher political profile; including via support

to key institutions or promoting inclusiveness through civil society organisations; supporting peace negotiations or political processes;

- Where there is less UK and international development funding, but where UK interests are still high, the Conflict Pool could support stability with niche priority activity in state organisations or other bodies to promote transparency and inclusiveness.

ii) **Effective and accountable security and justice (including defence engagement).** This is an area where generally a comprehensive approach is vital; niche activity unsupported by wider reform is less likely to succeed. So prioritising and identifying potential impact is vital.

- Through its military and civilian expertise the UK has a comparative advantage in some areas of security sector reform and capacity building. The Conflict Pool is particularly suited to supporting security-related assistance because of its ability to draw on non-ODA funding. There should be close read across to the International Defence Engagement Strategy. Conflict Pool work should focus on genuinely sustainable reform and developing democratically accountable security sectors that have a direct impact on stability and conflict prevention.
- We would expect Conflict Pool support for justice reform to be less frequent but in some countries the Pool can play a supportive role to, for example, a significant DFID, EU or other internationally-funded programme which seeks to address grievances as part of a comprehensive approach to preventing conflict.

iii) **Developing the capacity of local populations and regional and multilateral institutions to prevent and resolve the conflicts that affect them.**

- At the level of local populations and communities: context is key Conflict Pool work can vary greatly. Securing meaningful outcomes and impact from interventions is more important than setting inflexible parameters as to what activities are suitable. Work in this area should exploit the Pool's comparative advantages including innovation and risk and, where justified, may include smaller scale projects. Local civil society and national and international NGOs will be key partners. A real challenge is to translate small scale projects into larger scale impact. Pool programmes should actively seek out pilot projects with potential for larger scale impact and develop ways to achieve this, working with other actors.

- At the level of regional and multilateral institutions, the Pool's priority is to work with organisations with direct conflict prevention roles, where Pool investments have the potential for broad application, multiplying their effect throughout the work of the institution concerned. These institutions will include the UN, the EU, NATO and other multilateral and regional bodies including the African Union as well as international NGOs. Priorities will include supporting capacity building and reform that promotes upstream conflict prevention approaches as well as peacekeeping support work. This work may involve longer term commitments, given the importance of developing partnerships with these organisations and demonstrating the UK's commitment to sustained reform. Leveraging other support and drawing up clear exit strategies will be crucial. The BSOS committed the Government to develop new conflict prevention partnerships. The Pool might help facilitate these, including potentially through jointly-funded activity.

We will not set funding targets for the proportion of "upstream" work within Programmes, but we will monitor Pool activity to demonstrate the extent to which the Pool over time has moved further upstream. This will also mean rigorous prioritisation and not funding activity which cannot demonstrate positive impact and does not offer value for money.

### **Rapid Response – the Early Action Facility**

The Conflict Pool's second core role is to **respond rapidly to emerging crises and early opportunities to prevent conflict**. To enhance the Pool's ability to do this, the BSOS created within the Conflict Pool the Early Action Facility (EAF). The EAF is a ring fenced fund of £20m per annum to address unforeseen conflict developments or opportunities for which Conflict Pool programmes could not reasonably have planned. Possible activities include:

- i) Responding to early warnings of conflict or unexpected stabilisation opportunities by funding temporary surge capacity for assessments and planning e.g. through a Stabilisation Response Team
- ii) Short notice direct conflict prevention efforts such as support to preventative diplomacy activities, mediation processes or negotiations and short term confidence building measures around such processes;
- iii) Measures to prevent violent conflict around new potential triggers (e.g. short notice elections during a political transition);
- iv) Early peace building interventions in countries newly emerging from conflict (in advance of longer term programming) or to support early conflict prevention and peace building work in emerging HMG country/regional priorities;

## The Stabilisation Unit

The Conflict Pool also funds the **tri-departmental Stabilisation Unit (SU)**, meeting the SDSR and BSOS commitment to expand the Government's ability to deploy integrated teams of military and civilian experts to fragile states and in response to crises. The SU has particular expertise in security and justice, and conflict and stabilisation. Staff and deployable experts from these teams provide expertise and lessons in support of Conflict Pool implementation. The unit is also the focal point for international police deployments and deploys civilians to multilateral missions on behalf of the UK. Following a review of the SU's performance and structure in 2012, the Head of the Unit has been upgraded to Director level to lead a process of strengthening and focusing the Unit's work.

### Where should the Conflict Pool operate?

The BSOS is clear that the UK cannot and should not work everywhere to prevent conflict. We need to prioritise where the risks are greatest, where UK interests are most at stake, and where the UK can make a difference. Similarly for the Conflict Pool, spreading resource too thinly risks diluting its impact.

In deciding geographical priorities, we will reflect NSC priorities and use as a key guide the Government's **internal Watchlist of fragile countries** in which we assess the risks of conflict and insecurity are high and where the UK has significant interests at stake. This forms the basis of a cross-Government shared assessment of where the UK needs to act.

In line with the BSOS strategic approach and Watchlist priorities, the Conflict Pool has five geographical programmes: **Afghanistan; Africa; Middle East and North Africa; South Asia; Wider Europe**; and one thematic: **Strengthening Alliances and Partnerships (SAP)** which works on cross-cutting themes and at the multilateral level.

Current programmes cover most of the UK's conflict and stability priorities and are likely to continue to do so in the future. At the same time, we will maintain the Pool's relevance and flexibility by ensuring:

- (a) That priorities are kept under close review, so that funding does not continue inadvertently in areas no longer a high priority for the UK.
- (b) The Pool can be accessed where necessary for high priority conflict prevention interventions within and beyond current programme structures, without detracting from the Pool's strategic coherence or spreading resource too thinly;

Countries that are neither NSC priorities nor on the UK Watchlist will rarely attract significant levels of Conflict Pool resources. Currently, over 70% of Conflict Pool funding is spent directly in NSC/Watchlist priority countries, with most of the balance used in cross-cutting work that

also benefits these high priority countries, including via the SAP programme and the Stabilisation Unit. This overall proportion will be maintained.

While the Watchlist is a useful guide to prioritisation, we will not follow a reductive approach. The Watchlist factors in the first two BSOS criteria: risk and UK interests. But it does not aim to guide where the UK generally and the Conflict Pool specifically can make a difference. So although the highest UK conflict and stability priorities will often attract large Conflict Pool programmes, this will not always follow - Pool programmes should deploy Conflict Pool resource because the Pool activity can make a difference and add value to other UK and partner resources. The mix of UK resource will vary in every situation. In some high priority countries it may not be appropriate or possible for the Conflict Pool to fund activities.

Thematic work will remain a core activity. Working at the policy, multilateral or regional level provides strong potential for the Conflict Pool to secure a wider multiplier effect across a range of conflict and stability priorities and to achieve value for money.

### **Alignment with other HMG Resources**

The Conflict Pool is not a substitute for and should not duplicate departmental spend. It is also a limited resource. Effective **alignment with other Government resources** is essential to ensure we obtain the best impact and value for money, and avoid duplication. The Pool should be used where it has a comparative advantage and where it can meet a collective requirement of the three Departments. This will be especially important in countries where the Government has large resource commitments.

Particular priorities for the Pool will be effective and efficient alignment with DFID programmes in fragile and conflict-affected states; with wider Defence Engagement interventions; with Counter Terrorism programmes and in the Middle East and North Africa region with the Arab Partnership Initiative. This requires pro-active work in London and in-country to develop shared analysis and strategies, define clearer parameters and comparative advantages and, where appropriate, actively promote joint governance structures and programming teams. The cross-departmental Joint Analysis of Conflict and Stability (JACS) methodology provides scope to develop greater shared analysis.

#### **COMPARATIVE ADVANTAGE ALONGSIDE DFID**

DFID is scaling up its work in fragile and conflict-affected states – the Coalition Government has committed to spend 30% of Official Development Assistance to support these countries and tackle the drivers of instability by 2014/15. Conflict and instability are major barriers to development: 22 out of the 34 countries furthest from reaching the Millennium Development Goals are in the midst of, or are emerging from, violent conflict.

21 of DFID's 28 priority countries are fragile or conflict-affected. In these countries, DFID is helping to **build peaceful states and societies** by addressing the root causes of conflict and fragility – giving people a say in the decisions that affect them and supporting a more inclusive politics; helping to create economic services and jobs; and strengthening the delivery of security, justice and basic services.

The Conflict Pool complements DFID bilateral programmes in the following ways:

- By its mix of ODA and non-ODA resources. Through non-ODA resources, the Pool can help create the conditions for development by supporting defence aspects of security sector reform activities. Use of non-ODA resources in Sierra Leone, Sudan, DRC and elsewhere have directly complemented DFID programmes.
- Non-ODA work on security can also help improve the value for money achieved from development funding. The delivery of basic services can be undermined by insecurity;
- The Pool's ability to be fast and flexible in its role as a responsive, grant-making instrument for small-scale activities can complement longer-term development programmes;
- The Pool can support conflict prevention programmes in countries where there is no DFID bilateral programme, e.g. the Western Balkans, Sri Lanka.

### **PART THREE: CONTRIBUTING TO THE INTEGRATED APPROACH**

By its management and operation, the Conflict Pool contributes to delivering the Government's commitment to an integrated approach of its Diplomatic, Development and Defence efforts.

The Conflict Pool is an explicit recognition of the cross-cutting nature of conflict work and the need for the three parent Departments (and others) to work jointly in support of a shared UK approach. Bringing the three Departments together to work on conflict was a higher objective of the Conflict Pool when it was first created. The Pool has played its part in making joint working on conflict the norm rather than the exception in recent years.

The Conflict Pool has a continuing role to play. The Pool has developed a unique and strong identity, both inside and outside Government. The BSOS recognised the Pool's value.

The three Departments have a shared interest in and commitment to the Pool's success. It provides a unique resource that none of the three has individually. While this is a relatively small financial resource compared to Departmental budgets and given the issues the Conflict Pool seeks to influence, relatively small interventions, if targeted and timed effectively, can have a major impact and reduce the need for later and much more expensive interventions. That recognition should help inform the way the Pool is used.

The Conflict Pool also provides a space for the three Departments to use their different skills and perspectives at a practical level – going beyond policy and strategic agreement and alignment and into joint decisions and action at a working level. It provides opportunities to develop best practice in using tri-departmental conflict tools, such as the Stabilisation Unit, the Joint Analysis of Conflict and Stability, and Regional Conflict Advisers. Opportunities to develop genuinely multi-disciplinary interventions with the three departments addressing different aspects of a single problem with Conflict Pool resources will be challenging but should remain a clear aspiration for programmes when possible.

Our aim is to build the Conflict Pool's reputation as a core Government asset in addressing conflict and stability, greater than the sum of its parts and delivering measurable impact.

**The Pool's Governance structures help integrate the Government's approach**, forming a series of links from the National Security Strategy and the National Security Council responsible for it through the policy and management of the Conflict Pool at the centre in London, down to delivery of Conflict Pool projects on the ground, in country:

- i) The **National Security Council** approves how and where Conflict Pool resources are used (see below). In 2011, the NSC approved recommendations for three year allocations.

- ii) The **Building Stability Overseas Board (BSOB)** has responsibility for delivering the Building Stability Overseas Strategy's conflict prevention work. This includes the governance, oversight and accountability of the Conflict Pool and the Peacekeeping Budget. The BSOB is a tri-Departmental Board, made up of representatives at Director-level. Its chairmanship rotates between DFID, FCO and the MOD and the Board has two members from each department. To ensure a fully cross-Government perspective, colleagues from the Cabinet Office and Stabilisation Unit are invited to sit on the Board. An official from the Treasury also attends Board meetings, together with officials from other Government departments when relevant to specific agenda items. Decisions are made by the core Board members (DFID, FCO and MOD), by consensus. The BSOB recommends Conflict Pool allocations to the National Security Council, jointly through the three Departments' Secretaries of State. Allocations are made in response to Programmes' Results Offers, although the BSO Board recognises the need for a high degree of flexibility. The BSOB is responsible for this Strategy.
- iii) The **Conflict Pool Secretariat** is a small tri-departmental team that serves the BSOB in providing central policy development, financial oversight, administrative, communication functions. It provides input in to wider departmental and cross-Government work which impacts on the Pool as a whole and liaises closely with the teams who run each of the Conflict Pool programmes;
- iv) Individual **Conflict Pool Programmes** are organised in different ways, according to what works best in their areas. Each has a Senior Responsible Owner who chairs a tri-Departmental Programme Board at a senior level. Some programmes have lower level decision-making fora, with delegated authority. Programme Boards are supported by Programme Managers and small teams that administer the programme and its budget. Programmes have significant flexibility to manage their resources;
- v) **Tri-Departmental Country Teams** implement Conflict Pool programmes. They also play a crucial bottom up role in shaping programme priorities. The most successful programmes have strong buy-in from officials from all Departments in-country, working to a shared analysis and approach.
- vi) Country Teams are facilitated in this role in several Conflict Pool programmes by **Regional Conflict Advisers (RCAs)** – officials working on behalf of the three Departments in a specified region, providing advice, direction and coordination to country teams – effectively ensuring Results Offers are translated into action on the ground in the best way. The RCA cadre is growing in size and is a key resource.

In addition to these formal arrangements for Conflict Pool governance, a **Ministerial Working Group on Building Stability Overseas** has been established, which maintains oversight of the Government's implementation of the BSOS, including use of the Conflict Pool.

Annex A sets out the strategic framework, in diagram form. Annex B specifically shows how governance and decision-making works within the Conflict Pool. Annex C shows financial resources flows.

## **PART FOUR: BEST PRACTICE AND FUTURE DIRECTION**

Since the publication of the Building Stability Overseas Strategy in 2011, the Conflict Pool has undergone significant reform. The Building Stability Overseas Board agreed a new Results Framework, based on three year Results Offers. The Results Offer sets out the measurable results expected how CP resources complement other HMG and international engagement, and the resources necessary for delivery. To provide rigorous challenge, the BSOB undertakes annual “Star Chambers” to assess Programme Results Offers with their Senior Responsible Owners.

To support this framework, we have developed a new, common Conflict Pool project form, enhanced guidance on monitoring and evaluation, and new learning and development opportunities.

### **Principles of best practice**

1. **Start with a common understanding of the conflict and how HMG can make a difference:** to develop effective interventions we need a shared understanding of the conflict situation and agreement on what HMG is trying to achieve. In some countries with strong HMG engagement NSC strategies provide this. The Joint Analysis of Conflict and Stability (JACS) is an especially valuable tool for the Conflict Pool given its cross-Government approach and we encourage its use. Programmes should seek to develop more effective baselines, where appropriate.
2. **Clear Central Direction:** the Conflict Pool Secretariat will ensure that Pool programmes receive clear central direction on how best to translate BSOS principles into programme and project level activity. Specific work streams will continue to vary widely according to local priorities but will be informed by a core set of central principles, priorities and best practice.
3. **Smart Tri-Departmental Working:** cross-departmental working on conflict is now the norm. The Pool brings tri-departmental expertise together in creative way and practical ways at the country level. Departments need to build on the confidence and trust they have established by promoting more challenge and creative tension in their joint work on the Pool. This will help to develop programming that is more genuinely multi-disciplinary. The Pool’s tri-departmental working and governance should be about adding policy and practical value while minimising additional transaction costs.
4. **Devolved Decision-Making:** knowledge of the local context is essential to developing successful conflict and stability interventions. In-country teams are best-placed to initiate most Pool activity, drawing on central policy direction, although there will be important exceptions. We encourage in-country teams to be proactive and innovative, using their

skills and local knowledge to develop effective project work. Regional Conflict Advisers should play the lead coordinating role in delivering geographical Results Offers.

5. **Lighter touch where we can be...** staff time is precious across Government. Policy-making and management of the Pool should minimise unnecessary transaction costs while retaining the benefits of working tri-departmentally. The BSOB will empower programmes to reduce ineffective process, and include progress on this as one of the ways it judges performance...**rigorous where we need to be:** but we recognise that working in fragile states can require proportionately higher levels of staff time and skill to achieve a similar level of effective resource use. The Pool needs greater rigour in business-critical areas such as analysis, programme appraisal and design, monitoring and evaluation and financial management. This helps to maximise the Pool's impact. The BSOB and Secretariat will continue to demand the highest standards in these areas.
6. **Communicating and Sharing Best Practice:** we will communicate the numerous examples of effective work and impact across the Pool more vigorously within the three Departments and externally. Pool activity should feature more regularly in senior official and Ministerial briefings and visits to fragile and conflict-affected countries. We will use electronic tools more effectively to develop and spread best practice so programmes can learn more systematically from others' successes and challenges. The RCAs' role is to implement BSOS regionally. In their key Conflict Pool role RCAs should spend 10% of their time on activity that builds the Pool's collective expertise and impact. This includes an active RCA network; peer review activity; and training. RCAs will have close links with the DFID Conflict cadre, the Stabilisation Unit and other Whitehall, international, NGO and academic conflict specialists.
7. **Open to Scrutiny and Challenge:** The BSOB will continue to welcome regular external and internal scrutiny and challenge and will act on it. As well as programme evaluations and formal reviews such as those in 2012 by the NAO and ICAI, this means active outreach and interaction with civil society organisations working in the field of conflict and with parliamentarians. Internally, the Pool will continue to be the subject of regular annual reviews and Departmental financial management scrutiny by audit teams and senior officials.

#### The Future Shape of Conflict Pool Programming

Drawing on this best practice the Conflict Pool will retain its core comparative advantages while adapting to use them more effectively. In future the Conflict Pool will:

- develop its role as a funding tool which works **systematically to complement other integrated HMG conflict and stability resources**, including early warning mechanisms, the

Joint Analysis of Conflict and Stability (JACS), the Stabilisation Unit and, where appropriate, the Peacekeeping Budget;

- More frequent **use of specific evidence, analysis and baselines**, to underpin new and ongoing activities. Teams in countries with large Pool programmes should ensure they take advantage of JACS exercises;
- Devote more of its resources to work that is **further upstream** both in countries/regions that have yet to experience conflict and in those where the objective is to avoid a return to conflict; using **more multi-year funding** where it is needed; while retaining the ability to respond to short term needs in line with NSC direction;
- Generally have programmes with **balanced portfolios** which exploit the Pool's comparative advantages of flexibility, scale, ODA/non-ODA funds and innovation and risk.

We will not set proportions or quotas, but we would expect all programmes to pursue a blend of projects, to include:

- i) **A number of larger interventions.** If the Pool is to make a difference on the ground some interventions need to be large enough to show significant impact on the wider conflict and stability dynamics. Programmes should analyse where they can make the largest impacts and concentrate a proportion of their resources to deliver this. This may require revised delivery options and partners. We are open to innovation in this area;
- ii) **Smaller projects, with a “venture capital” approach.** Here, if good initial progress is made, Conflict Pool funds should leverage or facilitate other, usually larger-scale resources, either from within HMG, for example DFID programmes, or from other donor, host nation or NGO sources. Conflict Pool programmes should aim for a part of their allocation specifically to play this multiplier role. Working with civil society organisations, including faith groups, as well as other local actors may be particularly appropriate in developing initial small scale projects;
- iii) Greater exploitation of the Pool's ability to undertake some **higher risk and politically sensitive projects**. Programmes should actively seek opportunities and take them if there is a reasonable chance of success. Managing risk needs to be a core skill for all those making decisions on Pool activity. **The BSOB will promote a culture of risk management appropriate to the Conflict Pool.**

## **PART FIVE: HOW DO WE KNOW WHEN THE CONFLICT POOL IS EFFECTIVE?**

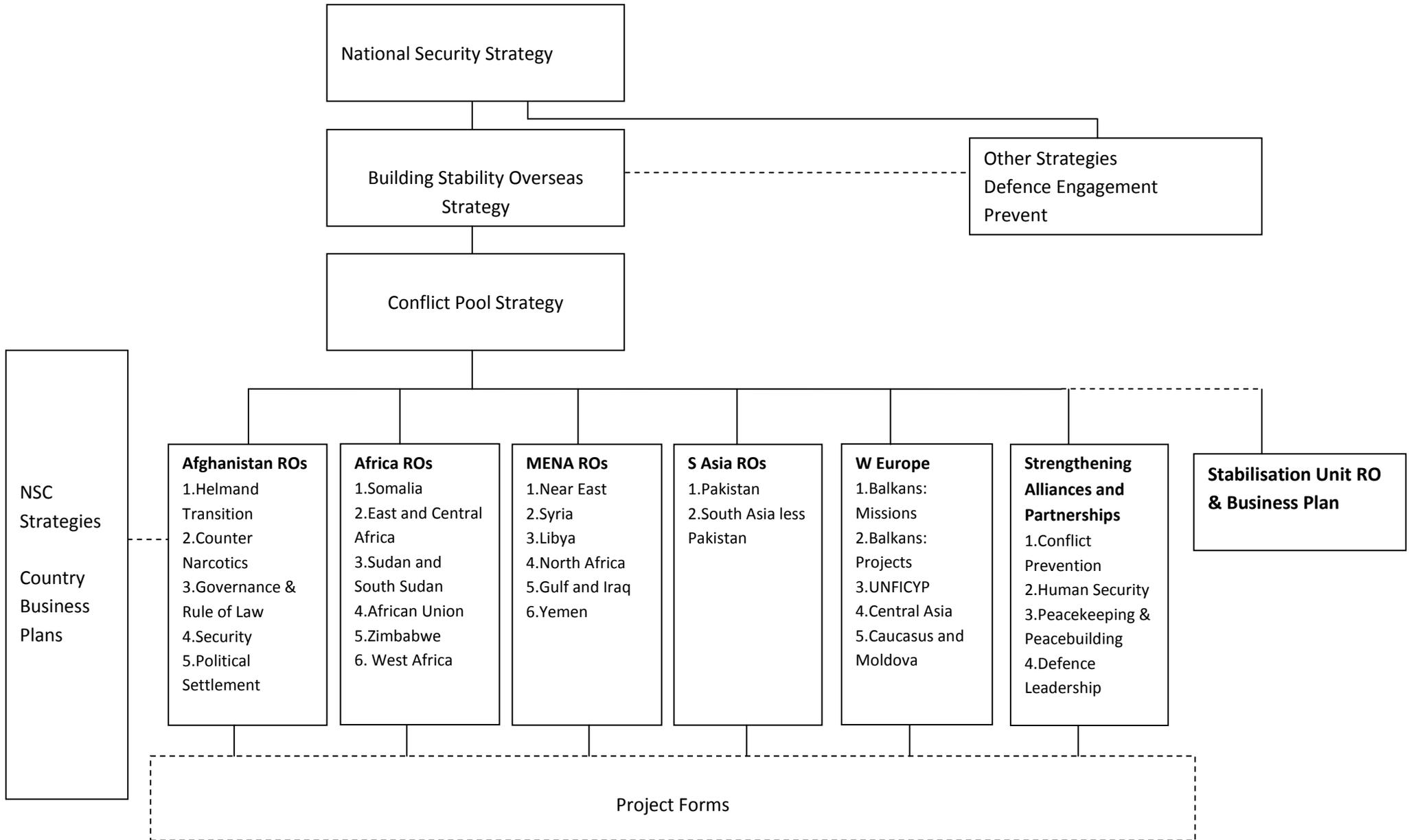
Effective monitoring and evaluation is at the core of best practice programme management. Monitoring progress and measuring results are essential when delivering programmes in environments that are volatile and risky. Monitoring and evaluation is therefore a top priority for the Conflict Pool. A key challenge is to show the Conflict Pool's contribution to the reduction of violent conflict or instability; and that our resources and intervention made a measurable difference. These challenges are not limited to the Conflict Pool – they are faced by all those who work in this field.

**A focus on evaluating results represents a shift in Conflict Pool thinking and practice** from measuring inputs to measuring outcomes and impacts. The Results Framework we introduced in 2011 began to embed an evidence culture, emphasising the importance of a results-based approach at the design stage. In 2012 we developed and rolled out new project bidding documentation, with monitoring and evaluation at its core. New methods and evolving experience are helping us to develop measures of the effectiveness of Pool activities. We recognise that effective monitoring and evaluation in fragile and conflict-affected states may require new staff commitment, and improved specialist skills. We will be careful to avoid measurement becoming an end in itself: not everything that is worthwhile can be measured; not everything that can be measured is worthwhile. We will ensure our approach reflects the distinctive nature and comparative advantages of the Pool, including riskier work.

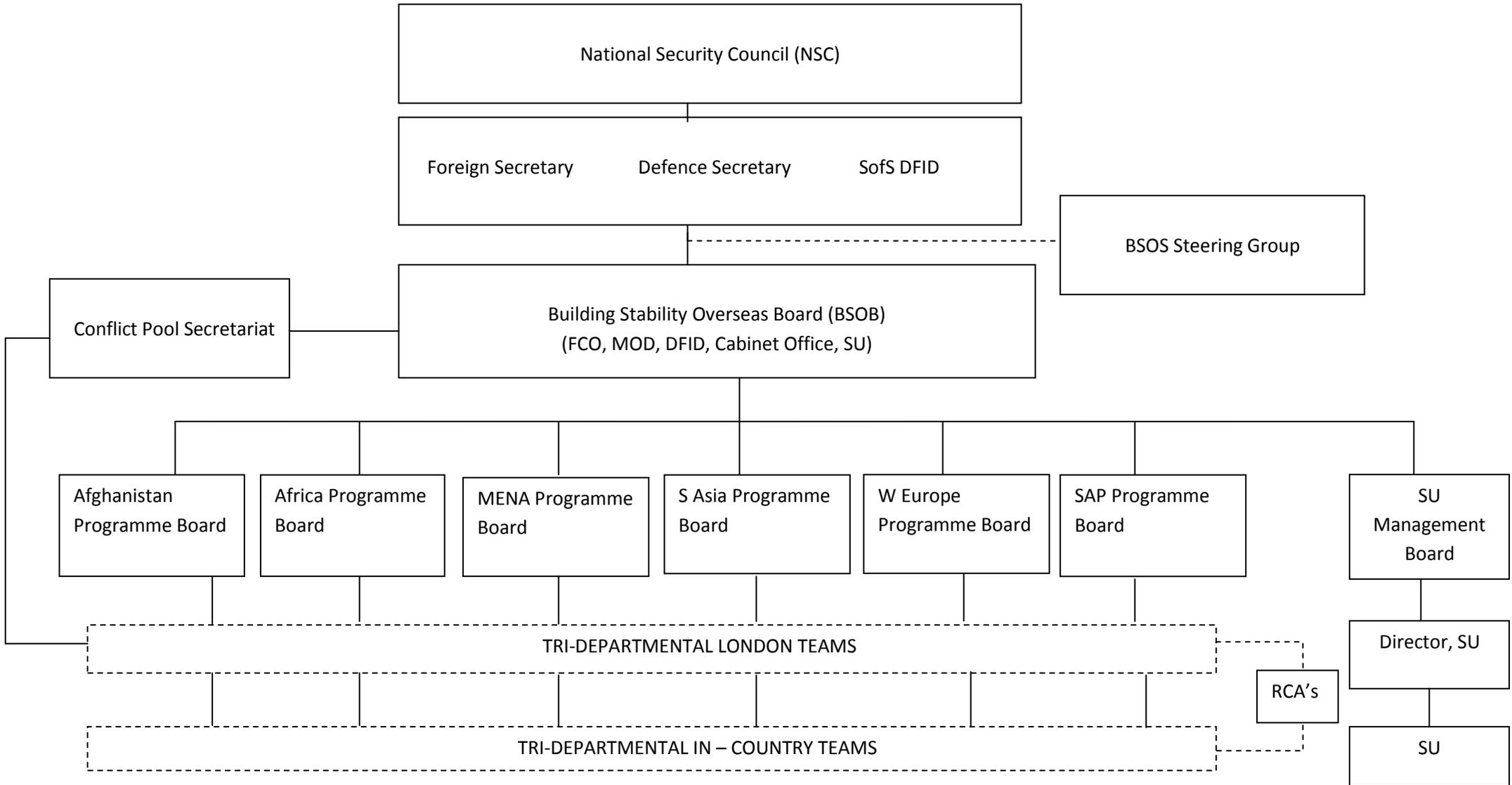
Conflict Pool Programmes now have greater flexibility to build review, assessment and evaluation costs into their programmes, to monitor and measure the evidence of programme results. **We will encourage more systematic use of independent evaluations** of Pool work, where this is proportionate. **We will encourage Regional Conflict Advisers to play a key role** in identifying, shaping, and deciding the timing for independent evaluation exercises and for developing options for informal or light touch evaluation activity, including peer reviews.

Continued investment in monitoring and evaluation **skills and training** is essential. This is already happening, with programmes holding regional training events focused on the Results Framework, the role of evidence and effective monitoring and evaluation. The Secretariat will develop **new bespoke training in conflict programming** and provide programmes with **guidance on options and best practice on measuring results, including monitoring and evaluation**. This will draw on the skills available in other parts of government and more widely, including from civil society organisations working in conflict prevention and resolution.

Annex A: Conflict Pool Strategic Framework



Annex B: Conflict Pool Governance



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Annex C: Conflict Pool Finances

