

Annex F: The UK Conflict Pool and Conflict Security and Stability Fund

The Conflict Pool

Strategic focus and policy basis

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).

In 2012 the Conflict Resources Settlement was £683million (just over US \$1 billion) of which £374 million (about US \$563 million) was set aside for peacekeeping with the balance available to the Conflict Pool. Any additional costs for peacekeeping above this figure are met by the Conflict Resources Settlement reducing the amount available for the Conflict Pool and causing volatility in the Conflict Pool budget.¹

The fund was created to bring together the expertise in defence, diplomacy and development and support more integrated, coherent and multidisciplinary working and common approaches across government to addressing conflict prevention. It is made up of both ODA and non ODA funding.

The key higher level strategy determining the focus of the Conflict Pool is the Building Stability Overseas Strategy (BSOS - 2011) that sets out the government's approach to addressing conflict with a clear focus on **upstream prevention**. Prior to 2011 there was no overarching strategy guiding the conflict pool. The BSOS sets out three broad priority areas:

- Inclusive political systems
- Effective and accountable security and justice
- Support to local capacity (including regional and multilateral to prevent and resolve conflicts).

BSOS also committed the government to improved ability to respond rapidly to emerging crises and subsequently an Early Action Facility was created within the pool in 2011 (£20 million, or US \$32 million, per year) for unforeseen conflict developments or opportunities..

Within this focus the subsequent Conflict Pool guidance (see below) clearly articulates that 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”² The geographical focus of the fund should be guided by the priorities of the National Security Council – the main ministerial level forum for collective discussion of the government's objectives for national security - articulated in the watch list of fragile countries – and an understanding of where the fund can make a difference and add value to other resources.

The 2012-2013 - Reform agenda

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.

Following the publication of the BSOS, which committed the UK government to a reform agenda for the Conflict Pool, **two important, independent processes of scrutiny and challenge were**

¹ ICAI, Evaluation of the inter-Departmental Conflict Pool, July 2012

² FCO, DFID and MoD, Conflict Pool Strategic Guidance, 2013, April p. 8

undertaken in 2012 by the National Audit Office (NAO), which scrutinises spending on behalf of parliament, and the Independent Commission on Aid Impact (ICAI), an independent body scrutinising UK aid. The NAO 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. 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 clearer strategic framework for the Conflict Pool identifying 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.³

One outcome of the review and evaluation was the **publication in 2013 of Strategic Guidance** for the Conflict Pool articulating the Pool's strategic context, management structures, comparative advantages, contribution to the integrated approach and approach to monitoring and evaluation. The key comparative advantages of the pool were considered to be operating flexibility (range of work, scale of intervention and partners, different levels of engagement (local, national, regional and international), range of timescales, joint funding with other parts of HMG; a mix of ODA and non-ODA resources; politically sensitive work; Risk; Rapid response.

Fund structures and decision making and programming processes

Decisions regarding the use of Conflict Pool funds involve a number of key structures.

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.

The **Building Stability Overseas Board (BSOB)** The BSOB is a tri-Departmental Board, made up of representatives at Director-level. It sets the overall strategic direction of the conflict pool and is responsible for oversight and decision making in relation to programme allocations. 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.

Individual **Conflict Pool Programmes (regional and country)** are organised in different ways, according to what works best in their areas. There are five geographical programmes (Afghanistan; Africa; Middle East and North Africa; South Asia; Wider Europe) and one thematic programme (strengthening alliances and partnerships). Funding is also provided to Syria and Libya. Funds are also provided to the cross-departmental Stabilisation Unit.

Each programme has a Senior Responsible Officer who chairs a **tri-Departmental Programme Board** that signs off on the programme 'results offers' (programme strategy and description). Many programmes have lower level decision-making fora (**Tri-departmental Country Teams**) involving Programme Managers, Regional and DFID conflict advisors, FCO first secretaries and defence attachés, often located at an embassy level with delegated authority to undertake programming, administer the programme and its budget. Programmes have significant flexibility to manage their own resources. It is reported that the benefits of tri-departmental working are felt more at post (embassy level) although this can vary from programme to programme.

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 liaises closely with the teams who run each of the Conflict Pool programmes. Due to the challenges of day to

³ FCO, DFID and MoD, Conflict Pool Strategic Guidance, 2013, April p. 4.

day administration, not least managing the different budgets, the Secretariat has struggled to play an advisory and policy function vis-a-vis the pool.

Monitoring, evaluation and learning

Until recently results reporting was confined to project level and was reliant on the M&E capacity of partners that was often weak. There were no overall assessments of results at the country, regional or global levels.⁴ In 2011/12 the three year **results 'offer'** was introduced in programmes in order to embed a results framework (with indicators) at the programme level and to ensure a greater strategic underpinning and programme logic for conflict pool interventions. This has led to programmes increasingly articulating linkages between individual pool activities and broader UK goals and to articulate ToC. A project template was also introduced with outcomes and indicators based on a 'stripped back version of the DFID Logframe'.⁵ An increased focus on evaluating results has represented a shift in Conflict Pool thinking and practice from measuring inputs to measuring outcomes and impacts⁶ although progress in this respect has been uneven.⁷ Regional Conflict Advisors are considered to play a pivotal role in M&E and 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.

The Conflict Pool within the UK's comprehensive/ integrated approach

The Conflict Pool is considered to have played a major role in encouraging cross-government working on conflict although the locus of cross-government working now lies elsewhere (see below). Opportunities to develop genuinely multi-disciplinary interventions with the three departments addressing different aspects of a single problem with Conflict Pool resources however remains a challenging and there are few projects that represent genuinely shared objectives and a tendency to divide resources between departments rather than working in an integrated manner.⁸

Transition to the CSSF

From 2015 the Conflict Pool will be replaced by a new Conflict, Stability and Security Fund (CSSF) that will bring together existing resources from across government (including conflict resources worth £683 million in 2014-15) and £100 million of new funding.

Although there is at present little clarity with regard to the scope, strategic focus and detailed structures of the CSSF, it is evident that the new fund will respond more to a high level decision to have greater political control of the strategic use of Conflict Pool resources and to situate the fund within a broader 'Whole of Government' project. The WoG project brings the structures for cross-government working under the overall leadership of the inter-ministerial National Security Council (established by the current government). The objective is to support a fuller integration and coordination of instruments under cross-government regional and country strategies. The project goes beyond the tri-departmental constellation of the conflict pool (Ministry of Defence, Foreign Office and Department of International Development) to encompass a wider range of actors including the Home Office, Ministry of Justice and National Crime Agency.

New Director Level Regional Strategy Boards have been established (under the leadership of the Foreign Office) with representation from across all government departments comprising the full spectrum of relevant UK departments. Each board is currently developing a strategy for those

⁴ ICAI, Evaluation of the inter-Departmental Conflict Pool, July 2012.

⁵ Interview HMG official.

⁶ Conflict Pool Strategy.

⁷ Interview HMG official.

⁸ ICAI, Evaluation of the inter-Departmental Conflict Pool, July 2012 and interview with HMG Officials.

countries on the internal Cabinet Office Watchlist of countries where the risks of conflict and insecurity are high and where the UK has significant interests at stake. The strategies, which will be sent to the NSC for approval, provide details on key priorities or objectives, milestones and approaches and are likely to be informed by a Joint Analysis of Conflict and Security (JACS). The priorities and objectives set out in the strategies will be reflected in the business plans, spending priorities and programmes of the different UK government departments, agencies and embassies involved. Each objective within a strategy is driven forward by a Senior Responsible Officer who ensures that all instruments (across different departments) are delivering on the objective and are coherent.

The CCSF will essentially comprise one financial instrument to implement the strategies accessible by the full range of departments. The current Conflict Pool Secretariat is being expanded to include full HMG representation and provide technical support, a locus for best practice, support to programming and M&E. The current main decision making forum for the Conflict Pool, the Building Stability Overseas Board, will be replaced by new Programme Boards under the leadership of the FCO and CSSF spending will be systematically aligned to the country and regional strategies and will likely involve an increased number of results offers.

There are current efforts underway within the three Conflict Pool departments, under the leadership of the Conflict Pool secretariat, to ensure the key lessons from the Conflict Pool are captured in the new set up. However, concerns have been articulated that the new fund will lead to increase competition between departments for access to non-ODA resources, due to an increase in the number of departments with access to the fund involved and the fact that the new fund does not represent an increase in non-ODA funds.⁹

⁹ Interview with HMG Official.