

Remarks for Doug Frantz, Deputy Secretary-General, OECD

States of Fragility 2016 Report Launch

Nairobi, 30 November 2016

Excellencies, Ministers, Ambassadors, dear colleagues, ladies and gentlemen.

It is a great pleasure to be here in Nairobi to launch this year's *States of Fragility Report: Understanding Violence*.

Thank you Minister McHugh and Vice Minister Nasser de Ramos for your personal commitment, and that of your government, to this agenda.

Over the course of this week we have been discussing how we amplify the positive impact of development co-operation with the aim of achieving the Sustainable Development Goals (SDGs).

However, as highlighted by the adoption of SDG 16, the success of our collective efforts to elevate extreme poverty will in large part depend on our ability to confront the multi-dimensional challenges presented by fragility.

**Approximately half of the 836 million people living in extreme poverty today live in fragile contexts – this will rise to 80% by 2035 (OECD 2016).**

All countries and societies are fragile to some extent.

Fragility intensifies poverty, undermines development gains, and reduces opportunities for individuals and societies to escape poverty.

In fragile contexts - where there is often conflict or very high levels of violence - rates of extreme poverty can increase as individuals are displaced, livelihoods are devastated, and opportunities for broader growth, development and prosperity are destroyed.

Therefore, *States of Fragility 2016* puts a spotlight on violence, in all its forms, to explore how violence can contribute to fragility, and examining what should be done about it.

**The world has become a more dangerous place.**

Nearly half the world's population, or 3.34 billion people, live in proximity to or feel the impact of political violence.

Worryingly, violence also has a disproportionate impact on civilians, particularly women, youth and children.

Every five minutes, somewhere in the world, a child dies as a result of violence (*UNICEF 2016*).

And, approximately 200 000 young people aged 10 to 29 years old are victims of homicide each year (*WHO 2015*).

Fragile contexts also carry most of the global burden for increasing displacement as a result of conflict and violence. Today, sub-Saharan Africa hosts more than 26% of the world's refugees (*UNHCR, 2016b*)

Violence also has a staggeringly high cost.

The global economic impact of violence was a daunting USD 13.6 trillion in 2015, equivalent to 13.3% of global GDP or USD 1 876 for every person in the world (*Institute of Economic Peace, 2016*)

Clearly we need to better understand, and better respond to, violence around the world.

**To help better understand how violence and other risk factors can lead to fragility, the OECD has developed a new multi-dimensional tool: the OECD fragility framework.**

Built on five dimensions of fragility – economic, environmental, political, societal and security – the framework measures the intensity of each of these dimensions through the accumulation and combination of current and likely future risks and coping capacities.

This framework has identified 56 contexts as fragile in 2016, with 15 of those classified as extremely fragile.

Over 1.6 billion people, or 22% of the global population, currently live in these fragile contexts.

Of this group, 27 are low income while 25 are lower middle income, and 4 (Angola, the Bolivarian Republic of Venezuela, Iraq and Libya) are upper middle income.

The diversity of contexts highlights how fragility really does affect a broad range of situations. It also shows the benefits of a multi-dimensional typology of fragility – much closer to the real situation on the ground – rather than a “black and white” list of fragile countries.

**Critically, States of Fragility 2016 finds that development, peace and security efforts have not kept pace with the new reality of violence and fragility in developing countries.**

This multi-dimensional fragility framework challenges and empowers global policy makers – together with partners - to raise the profile of this particular group of contexts which are most at risk of being left behind.

It will also enable more informed advocacy, and better policy and programming responses, to tackle the issues raised by this broad spectrum of fragility.

**Finally, the States of Fragility report helps us to understand financial flows in support of fragile contexts.**

Total financial flows to fragile contexts increased by approximately 206% between 2002 and 2014 – this includes official development assistance (ODA), foreign direct investment (FDI) and remittances.

Yet the stubborn challenges of fragility remain.

ODA remains an important tool in these challenging environments – representing 32 per cent of total flows, which totaled more than USD 2.04 trillion, over this period.

However, ODA to fragile contexts is too often used for “firefighting” efforts; rather than investing in development that drives long-term structural change. We must invest more in peacebuilding and prevention – saving lives, building more stable societies and getting the maximum return on our investments.

**Although it paints a gloomy picture the States of Fragility report does provide an opportunity to move beyond rhetoric to action.**

To amplify the positive impacts of development assistance in support of fragile, conflict affected or at-risk countries or contexts over the next 15 years and realise our collective promise to “leave no one behind”.

Going forward the OECD will continue to work on important issues surrounding fragility including:

- Turning the commitment to conflict prevention into practice;
- Investigating better ways to tackle the scourge of violence, in all its forms
- Continuing work on important issues such as illicit financial flows, conflict minerals, and migration
- Promoting the better use of different sources of finance to address the multi-dimensional nature of fragility

Together, we must ensure that people affected by violence and living in states of fragility are not the people the world leaves furthest behind.

Thank you