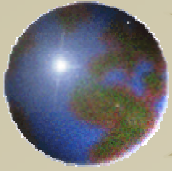


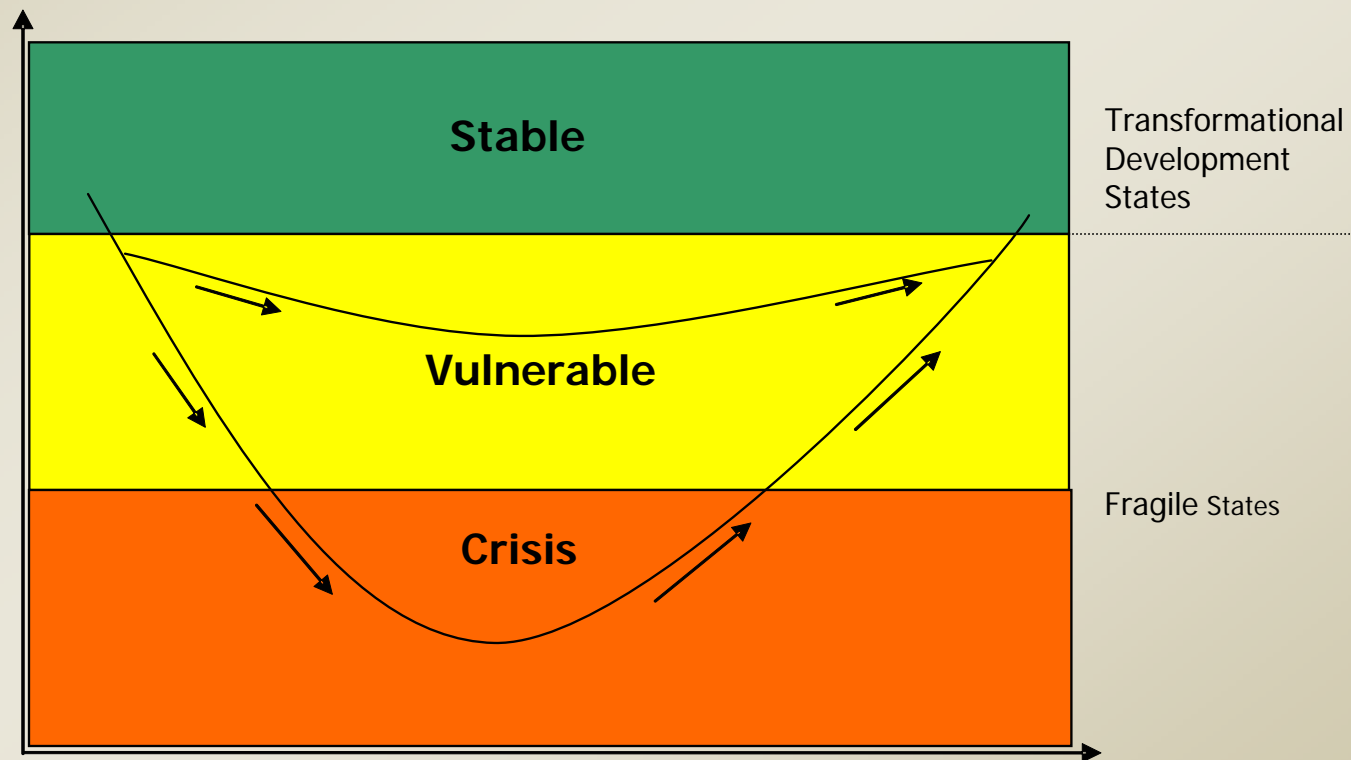
USAID's Draft Fragile States Strategy Core Concepts

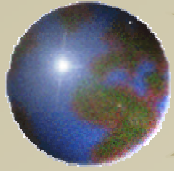
***Prepared for EGAT Conference
"Promoting Economic Growth in a
New Era"***

June 28, 2004



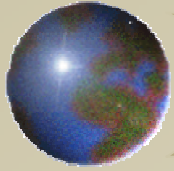
Differentiating Fragile States





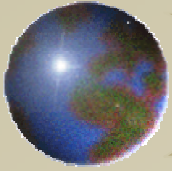
Understanding Fragility

Illustrative measures	Effectiveness	Legitimacy
Political	Political institutions and processes that ensure response to citizen needs.	Political processes, norms and leaders that are acceptable to the citizenry.
Security	Military and police services that secure borders and limit crime.	Military and police services are provided equitably and without violation of civil rights
Economic	Economic institutions that provide for economic growth, including jobs, and adapt to economic change.	Economic institutions, financial services and income generating opportunities that are widely accessible.
Social	Services delivered to meet demand, including that of vulnerable and minority groups.	Tolerance for diverse customs, cultures and beliefs.

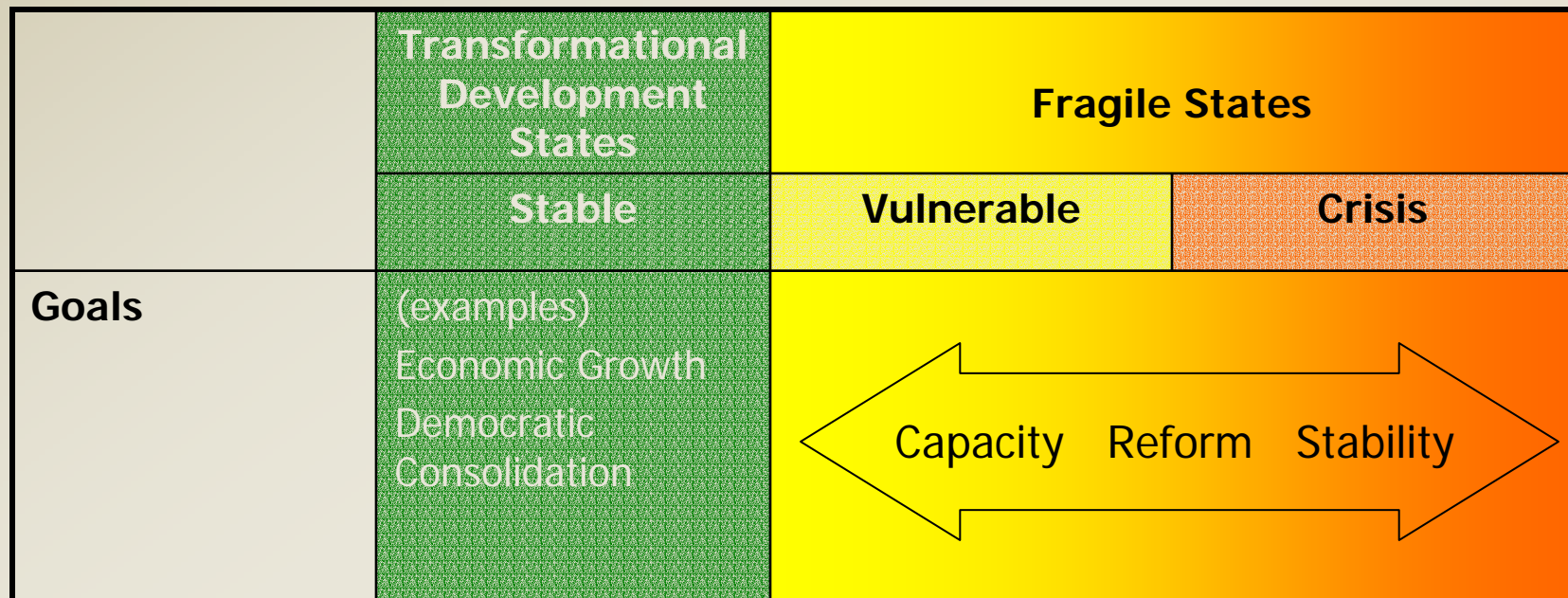


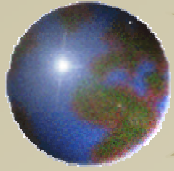
Identifying Pathways to Instability

- Escalation of ethnic or religious conflict
- Regional or guerilla rebellion
- High levels of corruption
- Democratic collapse
- Succession or reform crisis in authoritarian states
- External shocks



Developing a Strategic Response





Innovating Operations

- Improve Monitoring and Act on Information
- Develop Shared Response Strategies
- Advance Integrated USG and Donor Approaches
- Adopt a New Business Model for Fragile States