

# Federalism and Fragility: Rethinking Multilevel Governance

Insights and Future Work



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# Workshop Summary

On October 2-3, 2025, the Forum of Federations (the Forum) and the World Bank, Global Governance Practice co-hosted a two-day workshop at the World Bank Headquarters in Washington, DC.

This workshop convened a distinguished group of international experts and provided a space for meaningful conversations on the often underexplored relationship between fragility and multilevel governance (MLG).<sup>1</sup> In a global context marked by shrinking support for international development assistance and competing government priorities, such dialogue is both timely and essential.



**The workshop, *Federalism and Fragility: Rethinking Multilevel Governance*, explored why and how federalism and MLG can contribute to addressing challenges faced by fragile states. These questions are critical as the international community seeks inclusive and legitimate governance approaches to strengthen resilience and state functionality across national and subnational government levels.**

The workshop underscored the continued and indeed growing need for collaboration and further work in this area and analysed in depth several key themes explored in this report. The Forum thanks participants and contributors for sharing their insights at the workshop.

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<sup>1</sup> MLG includes the horizontal and vertical interactions among governmental, non-governmental, and supranational actors. It is a broad, dynamic concept that recognizes how authority is dispersed across many government levels. Federalism, devolution, decentralization, and deconcentration are, therefore, forms of MLG.

# Clarifying Concepts

One of the inherent challenges with examining the relationship between fragility and MLG (and perhaps one of the reasons why the area remains underexplored) is that there are many competing definitions and understandings of these concepts.

This challenge is not only difficult from an ontological standpoint but also becomes increasingly complicated from a practical perspective. **To further work on this topic, there is a real and pressing need to be able to specify what we mean when we speak to stakeholders in fragile contexts about governance approaches and solutions.**

In addition to the immense need for clarification, discussions at the workshop highlighted the need to:

## 1. Contextualize concepts

From the outset it is critical to think comparatively about what concept of multilevel governance (i.e., deconcentration, delegation, federalism, decentralization, devolution) is most useful and appropriate in a specific context and how it is defined, as definitions vary across literature. Similarly, fragility as a concept encompasses multiple dimensions, furthering the complexity of exploring interactions between it and MLG. Experts and practitioners also need to recognize that discussions around these concepts often happen in silos, and in response there is a need to create innovative governance solutions that blend approaches and foster collaboration across disciplines.

## 2. Put MLG in perspective

When implemented in fragile contexts, MLG is at its core a means to an end rather than an end in itself. It provides an institutional structure that accommodates the needs of diverse groups within a single framework. In recognizing this basic premise, it is important for researchers and practitioners to understand that MLG is often not the first choice for any actor in a fragile context (challenges exist with leadership, elite preferences, and provisions for minority representation) and that the decision to adopt MLG structures is often as much a sociological one as it is a technocratic one.

Ultimately, these considerations require sober assessments of power structures, available resources (both domestic and international), and the political will at all levels in a country to integrate flexible and responsive governance systems.



2025 Gen Z Protests, Chitwan Nepal. The Nepal case was highlighted during the workshop.

# Multi-Directional MLG?

Actors in fragile states face some of the most complex governance challenges during the transition from a state of conflict to a state of post-conflict. Often, before MLG is formally considered as a governance option at the macro (country) level in post-conflict and fragile contexts, it is critical to examine its viability at the micro (local) level to ensure that governance structures align with citizen needs and preferences.

However, adopting both micro and macro level perspectives can create tensions between local and national expectations regarding the purpose and design of the new state architectures. This is a key point to consider because even if a transitional framework/agreement is formally adopted, the actual implementation of the new governance structures and realities on the ground are sometimes mismatched.

**MLG should be approached from a truly multidirectional perspective (a dynamic network of horizontal and vertical interactions rather than a rigid hierarchy) to mitigate the risk of introducing new governance structures that do not meet both local and national needs.** This means prioritizing cooperation, knowledge sharing, and shared ownership across all government levels to address complex governance issues. Discussions at the workshop highlighted that flexible frameworks are necessary to balance citizen needs as well as elite preferences. These frameworks can enhance the service delivery systems by clearly clarifying from the outset the roles of different government levels and how they can be empowered to perform these roles.

When integrating multilevel governance into transition periods in post-conflict fragile contexts, it is essential to recognize that its design and implementation will evolve over time. How these governance structures look in the immediate aftermath of conflict may not be how they look years later.

For this reason, workshop participants highlighted the need for any MLG framework or approach to be both flexible in the short term yet sustainable in the long term. Various potential approaches were identified as first steps in a transition that may assist in building elements of sustainability into a settlement that incorporates MLG. These include:

- ✓ Integrating elements of MLG through approaches such as decentralization to enhance responsiveness and local ownership.
- ✓ Replicating “islands of success” – successful models from one region applied to others.
- ✓ Ensuring adequate engagement by creating opportunities for dialogue and participation across all levels of society.



Experts at the *Federalism and Fragility: Rethinking Multilevel Governance Workshop*, World Bank Headquarters, Washington DC, 2025.

# Grounding Governance Realities

Any analysis of how various forms of MLG contribute to addressing fragility – or where they fall short – must be grounded in their impact on everyday realities in fragile contexts. As a means to an end, multilevel structures are designed to provide a platform for service delivery that meets the basic needs of the people and sustains the social contract between the state and all persons under its authority. In fragile settings, service delivery carries both symbolic and tangible value. Not only does it shape people's daily lives, but it also represents the relationship between society and state and the function that governance plays in the interaction between the two. However, service delivery is often at the core of contestation in fragile states, where rival claims to authority exist to determine, administer and resource services. Fragmentation of service delivery is a characteristic of fragile contexts, often compounded by a lack of capacity and financial and human resources, particularly at local levels.



Sanaa, Yemen. Yemen's capital city. The Yemen case was discussed at the workshop.

MLG offers the promise of proximity – that a government closer to the people possesses “information advantage” to develop and deliver services that respond to local needs. However, without sufficient political authority, administrative competences, and financial resources – as well as robust accountability mechanisms – subnational governments risk failing to deliver or becoming prey to state capture. Dysfunctional service delivery which does not meet the basic needs of people risks undermining transition processes and further eroding trust in governance institutions. Critics argue that flawed MLG structures can exacerbate fragmentation and inconsistency in service delivery. But in such contexts where a centralized system has failed to fulfil its functions as expected by the populace, MLG systems tend to develop based on local realities shaped by both state and non-state actors and these can form a foundation for a post-conflict MLG order. This reality underscores the need to better understand the relationship between different levels of government in fragile contexts, the functions they are expected to execute and, more fundamentally, to ask what citizens expect from government.



Experts at the *Federalism and Fragility: Rethinking Multilevel Governance Workshop*, World Bank Headquarters, Washington DC, 2025.

# Incentives and Implementation of MLG

Exploring the relationship between governance arrangements and fragility also requires a consideration of the actors involved, their interests, and critically, their incentives. **The incentives to adopt or adapt an MLG framework may vary between different stakeholders. The incentives of political elites may diverge from that of citizens and minority groups, and yet state architectures are typically negotiated and agreed at the high level. Increasingly, non-state actors, the private sector and civil society play a significant role in fragile contexts where an absent central state may open a vacuum.** These actors may undertake a variety of actions including: controlling territory, providing services and security, and in some cases introducing their own jurisprudence.

The implementation of a functional MLG system in any context – not just fragile contexts – requires political will. However, the multiplicity of actors involved may not all possess incentives to deliver such a system, particularly if it involves ceding power through a decentralization process. External pressure can generate incentives to decentralize, although there is danger in this scenario that the process becomes perceived as a foreign imposition. There is a need, therefore, to enhance understanding of actor incentives and how they impact on the adoption and adaptation of MLG models in fragile contexts.

In fragile societies, the quality and perception of the social contract is sometimes overlooked when it comes to questions of governance models. If the state fails to deliver, it faces a legitimacy issue which in turn can erode the social contract. In an extremely fragile society affected by this dynamic, MLG may provide for an acceptable trade off: it can create pockets of stability at local levels ('islands of success'), even if it does not resolve larger questions of social cohesion that cannot be addressed by an institutional framework alone. How specifically MLG structures can support the social contract in fragile societies is an area that requires further exploration.

# International Perspectives and Future Work

The discussions at the *Federalism and Fragility: Framing Multilevel Governance* workshop suggest that there is significant potential for MLG to contribute to addressing challenges of stability in fragile contexts. Equally, however, it is evident that important gaps remain in our understanding of precisely how MLG can support and build resilience. Addressing these gaps requires further analysis, informational gathering, systematic knowledge sharing, and collaborative endeavours involving both the international community and local actors in fragile countries.

As the landscape of fragile states evolve and societies become increasingly exposed to conditions that exacerbate fragility, the international community must ensure that it is equipped to meet these challenges through creative and flexible approaches. Doing so requires increasing recognition that building resilient and responsive governance is a marathon, not a sprint, and that adequately supporting local actors is a pragmatic exercise that necessitates a long-term commitment of time and resources.

The way that MLG is understood and implemented moving forward can be greatly enhanced by taking an interdisciplinary, whole of society approach to governance challenges in fragile contexts. Collaboration between the academic and practitioner communities, drawing on different fields of expertise and a variety of empirical in-country experience, can support comprehensive yet locally tailored approaches to developing practical knowledge that supports stakeholders undertaking governance development in fragile societies. **There remains a need to frame analysis on MLG and fragility, to identify what successful MLG looks like in fragile contexts, and to determine if this is replicable. And perhaps most crucially, future work in this area should aim, first and foremost, to provide knowledge and learning that can inform practice in the field.**

The Forum of Federations is committed to working with international partners in the coming years to further work in this area in an effort to support better development outcomes.



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