
UNIT 5 RESPONSES TO CONFLICTS

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5.1 INTRODUCTION

In response to conflicts, the international community pledged billions of dollars in aid to countries recovering from violent conflicts. By providing a bridge between emergency humanitarian relief and long-term development, these resources are designed to persuade formerly warring parties to resolve conflicts peacefully and intended to lay the foundations for a sustainable transition to economic growth and participatory governance. From Cambodia to Bosnia, El Salvador to Rwanda, and Tajikistan to Lebanon, multilateral and bilateral agencies have supported conflict resolution and peace-building with packages of grants, low-interest loans, debt forgiveness and technical assistance. While these aid packages undoubtedly have contributed to recovery from conflict, it is nonetheless disturbing that the planning and implementation of reconstruction aid has frequently suffered from inadequate preparation, poor coordination and lack of perseverance on the part of donor agencies. At a minimum, these discrepancies produce skepticism among international community, recipients, and public alike about the ultimate value of the vast amounts purportedly committed to reconstruct conflict-torn societies.

Aims and Objectives

After reading this Unit, you would be able to understand the

- issues involved in the post-conflict recovery
- response by international agencies in conflict-torn societies
- importance of co-ordination and capacity-building
- the role of the UN and
- importance of finance in the recovery process.

5.2 POST-CONFLICT RECOVERY

Violence may persist at lower levels within the society, continue unabated in certain regions, or flare sporadically. Moreover, refugees and internally displaced persons may begin to return to their homes or communities, even as conflict continues, thereby triggering the need for international aid. An international effort to reconstruct societies torn by protracted violence falls under the rubric of "post-conflict peace-building." This concept was introduced in *An Agenda for Peace* (1991), Boutros Boutros-Ghali's vision for post-Cold War security. The former UN Secretary-General defined the phrase as collective "action to identify and support structures which will tend to strengthen and solidify peace in order to avoid a relapse into conflict."

Ways for Sustainable Recovery

Although each conflict situation has unique attributes, successful recovery often involves a "triple transition": a security transition from war to peace; a political transition from authoritarianism or totalitarianism to a more participatory form of government; and a socio-economic transition, including the rebuilding of economic capacities and, frequently, the movement from a controlled to a market economy. Sustainable recovery from conflict requires laying new foundations for social peace, political stability, and economic growth in beleaguered countries. To advance this war-to-peace transition, international communities have supported an awesome array of essential activities. They have helped to draft and implement peace accords, plan and monitor disarmament, demobilise and reintegrate combatants, train local police, and restore human security. They have promoted efforts to re-establish the rule of law, conduct democratic elections, and draft new constitutions, reform judicial systems, rebuild state structures, improve local governance, and monitor human rights. And they have provided assistance to reintegrate refugees and displaced persons, provide essential services, restore transportation and communication links, rebuild social capital, repair infrastructure, jump-start industrial and agricultural production, reconstitute financial institutions, and revive commercial activity.

Challenges of Recovery

The end of the Cold War raised hopes that the international community might employ an anticipated "peace dividend" for social and economic development in many impoverished and war-torn societies. In fact, some ninety new conflicts erupted, largely intra-state in nature, demanding huge financial outlays for both humanitarian relief and peace-building. Most of these ranked among the poorest in the world and the **farthest** from international development objectives. The United Nations system found its capacities taxed by complex humanitarian emergencies characterised by recurrent violence, breakdown of governing institutions, destruction of physical infrastructure, displacement of populations, and massive human suffering. The focus of international reconstruction efforts are on laying the foundation for durable peace and recovery. Given the magnitude of the problem, no single state or international organisation could address the multiple needs associated with reconstructing war-torn states as scattered and diverse as Bosnia-Herzegovina, Cambodia, the Democratic Republic of the Congo, Haiti and Guatemala.

Successful recovery in these cases demands multilateral cooperation among the UN agencies, international financial institutions (IFIs), and non-governmental organisations (NGOs), as well as a central role for local actors.

5.3 ROLE OF INTERNATIONAL COMMUNITY

There is a broad agreement among the international community that the sustainable movement to social, economic, and political stability in societies emerging from conflict cannot occur unless local partners invest in a set of urgent, essential activities. The framework to design, coordinate and deliver aid remains woefully fragmented. Generally, international agencies take tentative steps to formulate common principles and best practices to inform their interventions. These include the OECD guidelines on Conflict, Peace, and Development Cooperation, the UN's "Strategic Framework Approach for Response to and Recovery from Crisis," and the World Bank's official guidelines, Post-Conflict Reconstruction: The Role of the World Bank. In addition, there have been some efforts at internal reform, particularly within the United Nations system. To make optimal use of scarce resources, post-conflict reconstruction needs to be under-girded by more reliable institutional and financial arrangements. These time-sensitive needs, which often go unmet, reflect the widespread destruction of the social, economic and political fabric of societies following prolonged conflict.

Effective Assessment of the Ground Situation

There is a need to address the problems of societies emerging from conflict in a timely and coherent manner in order to ensure a greater likelihood that they will move toward sustainable peace and development rather than return to conflict. A common needs assessment is essential for effective and efficient programme design and implementation. The assessment should begin even as the conflict is underway, should highlight the essential economic, social and political reintegration elements. It should be sensitive to variations and contingencies in conflict settlement. Situation-specific strategic analyses, based on a clear understanding of local conditions, are essential to setting priorities and sequencing response activities.

5.4 STRENGTHEN UN COORDINATION

The UN Secretary-General's reform programme of July 1997 elevated post-conflict peace-building to the top of the UN's agenda. The Department of Political Affairs (DPA) was designated the "focal point" for these activities within the UN System. The funds and programmes of the United Nations, such as UNDP, UNICEF, and UNHCR have been prominent actors in their respective domains in supporting recovery from conflict. The World Food Program conducts extensive relief, recovery and development programmes in conflict situations. Other agencies such as WHO and FAO, also have specialised units in place to address the needs of recovery from conflict. However, these funds remain modest (\$50 million in 1998). For its part, United Nations High Commission for Refugees (UNHCR) has long spearheaded the resettlement of refugees. To finance its operations, UNHCR depends upon core financing from donor governments' appeals for emergency situations. Several efforts are underway to promote joint planning and coordination efforts within the UN and the extended multilateral family to respond to

conflict, complex emergencies, and peace-building. Recent initiatives have been launched, for example, by the Executive Committees on Peace and Security and Humanitarian Assistance by the United Nations Development Group, by the Inter-Agency Standing Committee Reference Group on Post-Conflict Reintegration, and by the ECOSOC humanitarian segment.

The United Nations should redouble its current efforts to strengthen and harmonise those offices critical for effective field coordination: the position of Special Representative of the Secretary General and the function of the UN Resident Coordinator/Humanitarian Coordinator. The post-conflict recovery often begins in the context of multidimensional peace operations under the UN command. For example, the UN-led peacekeeping or observer missions were in place when international reconstruction efforts began in Cambodia, El Salvador, Guatemala, Mozambique, and Tajikistan. In cases where the UN has been given a lead role, an SRSG is generally appointed to coordinate the activities of the UN agencies on the ground and to help reconcile the UN's strategies for peace implementation and recovery assistance. Most importantly, the SRSG should be granted direct access and supervision over the resources of these entities. The Secretary-General's innovation of a single "UN House" containing all agencies should improve local coordination.

Strengthening Regional Coordination

Many recent conflicts, although defined as intra-state, possess important international dimensions, including the flows of refugees and arms across borders and the destabilisation of neighbouring economies. As a matter of principle, aid coordination is a task that belongs squarely to the mandate of recipient governments. They alone have the responsibility for deciding what aid to request, from whom to request it, and how to weave external assistance into their own development strategies. However, governance structures are often fragmentary following conflict, and the international community will by default often need to take on a disproportionate role in the coordination process, while over time orchestrating a hand-over of these tasks. Since each bilateral donor, international agency, and IFI has its own mandate and autonomy, it is inherently difficult to formulate a common strategy for reconstruction and peace-building. These tensions and inconsistencies are exacerbated by the simultaneity or overlap of several different transitions. Under such circumstances, the recovering country may be moving all at once from war to peace, from a command to a market economy, from an authoritarian to a pluralistic political system, and from a complex emergency to a more conventional development situation.

5.5 ADOPT REALISTIC TIME FRAMES

In view of formidable challenges, international community needs to be realistic about the length of their engagement. The sustainable transition from conflict requires a commitment significantly longer than the two to three years international community typically allots to reconstruction programmes and perhaps as long as 6-10 years. Where international community confronts an essentially settled conflict, they may wish to negotiate an explicit timetable with the government. In cases where "peace" is more of an

uncertain truce, as in Bosnia-Herzegovina, setting firm deadlines for withdrawal may be impractical.

5.6 ENCOURAGING TRANSPARENCY AND ACCOUNTABILITY

Reports of corruption within countries emerging from conflict can have devastating consequences for continued donor support for their recovery. International community should thus design aid interventions in ways that maximise transparency in the use of internal and external funds and that hold local officials accountable. At the same time, international community will need to be attentive to the political realities of recovering societies and the requirements of stability. In the past, peace-building concerns have sometimes led international community to tolerate non-conventional economic instruments and to accept policies by aid recipients that depart from normal standards of transparency. This is obviously a delicate issue that creates quandaries for external actors. In the West Bank and Gaza, for example, Yasser Arafat and the Fateh party have stabilised the post-Oslo political situation partly through a massive system of political patronage that rewards loyalists with employment in a bloated civil service and generates income through quasi-official monopolies. The problem, of course, is that such short-term expedients may prevent a stable macroeconomic framework and if unsustainable -- ultimately undermine the legitimacy of the Palestinian Authority. The dilemma for international community is, how long to tolerate convenient departures from economic efficiency and political accountability. By injecting large amounts of assistance into war-torn countries, the international community inevitably distorts local systems of production and exchange. Such an aid-driven economy alters social power balances, and rival political elite and factions may exploit foreign assistance to gain leverage over national resources (e.g., lumber in Cambodia, diamonds in Sierra Leone). International community must be attuned to the political economy of conflict and the criminalised nature of many conflict economies, and they should try to direct external resources to local actors who support peace-building goals.

5.7 CREATE COORDINATION MECHANISMS PROMPTLY

The International community should establish structures of local aid coordination as soon as possible in cases where local authorities lack sufficient capacity to do so on their own. Failure to do so can delay essential recovery tasks. Experience in several conflict environments, including the West Bank and Gaza, suggests that there is value in creating multi-tiered coordination mechanisms, with inclusive and exclusive memberships. These might include high-level political fora to oversee progress towards peace-building goals, a committee to coordinate overall assistance, and working groups to supervise aid implementation in particular sectors. It should be noted that political rivalry among international community for leadership of the aid effort and/or disagreements over the application of aid conditions can impair smooth coordination. In the West Bank and Gaza, for example, the European Union sought a coordinating role commensurate with its status as the leading donor to the Occupied Territories. The United States, the leading diplomatic actor in the West Asian peace process, favoured assigning this role to the World Bank. The American position ultimately prevailed. The Donor rivalry also occurred in Bosnia-Herzegovina, as the United States clashed with the World Bank over

peace conditionality. There is also a need to improve the internal coherence of their national approaches toward each war-torn country.

The post-conflict countries vary enormously in their ability to manage and absorb foreign assistance. Following extensive violence, recipients may lack the human, technical, and administrative capacities required to make use of large quantities of aid or to coordinate the multiple international community and NGOs that arrive to assist their recovery. International community can nurture recipient capacities in several ways: by acknowledging and supporting the recipient government's central role in planning and coordinating aid; by financing important public sector expenditures; by providing appropriate technical assistance and training; by adjusting pressure for macroeconomic stabilisation; by facilitating the early clearance of arrears; and by prolonging their engagement in the country. The following paragraphs address these points. International community must engage governments and local stakeholders in broad consultations throughout the recovery effort. As early as practicable, though, the local governing authority should assume responsibility for coordinating assistance. To foster healthy political development, international agencies need to balance their efforts to rebuild state capacities with support for private groups and institutions. Particularly in the early period of recovery from conflict, the legitimacy of a new government may be contested by broad segments of society. To foster political reconciliation, local ownership, and indigenous capacities for recovery, international community must bolster the constructive involvement of opposition parties and civil society actors in the political and economic life of the country. Aid interventions should possess a gender dimension to take advantage of the potential role of women as a force for social peace.

One obvious way for international agencies to build local capacities is to channel aid directly through the national budgets of countries emerging from conflict. Bilateral international community generally resists doing this, preferring to finance projects reflecting their own priorities, to fund service providers of their own nationality, and to procure goods from their own country. The result may be programmes reflecting donor's political agenda and economic interests rather than those of the local actors. The war-to-peace transitions are costly. Besides making "normal" expenditures, recovering governments must deliver on specific peace commitments, finance reconstruction initiatives, and fund projects which reward loyalists and reintegrate enemies. It may be impossible to maintain strict budgetary balance in the face of these competing demands. Precipitate emphasis on fiscal rigour, trade liberalisation, and privatisation may reduce the state's capacity to rebuild and deliver basic services and to achieve the promise of peace accords, threatening reconciliation and undermining social peace. Thus pressure for economic reform must be embedded in the political reality of the transition.

5.8 FINANCING RECOVERY

Societies emerging from conflict require flexible, quick-disbursing funds designed to meet the special tasks of rehabilitation and reconstruction. Unfortunately, unlike funding for the UN's peace-making and peacekeeping missions, which is based on regular budget assessments, contributions for recovery activities are entirely voluntary. Over the past

decade, the international community has realised that there is no simple "continuum" linking relief, recovery, and development. The challenge is to build complementarily into the efforts of different international community by recognising the forward and backward linkages between different types of aid interventions. Relief funds usually need to be disbursed within one year, a time horizon too short to launch sustainable recovery. Recovery is thus forced to rely on slower- disbursing development aid that is often conditioned on political criteria and does not flow seamlessly when relief funding ends — exacerbating the so-called relief-to- development gap. In the absence of a dedicated facility, the international community will continue to create special ad hoc mechanisms for each recovering country. Within the UN system, several tools exist to facilitate collaborative financing, including trust funds, cost-sharing, and parallel financing. Each instrument can involve a variety of multilateral organisations, governments, financial institutions, NGOs, and private sector actors. Each has its own advantages and constraints.

Role of World Bank and International Monetary Fund

The Bretton Woods Institutions have become important actors in supporting recovery from war and preventing the re-emergence of violent conflict. By spring 1998, the World Bank had committed \$6.2 billion in loans to support reconstruction operations in 18 countries and provided post-conflict grants worth \$400 million. The Bank has an important role to play in post-conflict situations by advising parties on the economic dimensions of peace accords; assisting the assessment of local needs; arranging the clearance of arrears; assisting governments in coordinating macroeconomic policy; restoring physical infrastructure; and monitoring aid flows. The International Monetary Fund (IMF) will consider assisting a post-conflict country experiencing severe balance of payments difficulties if the recipient government demonstrates sufficient capacity and commitment to plan and implement an acceptable economic programme. Although the recent innovations by the Bretton Woods Institutions are to be welcomed, these institutional reforms need to be deepened. Firstly, the Bank has not yet given sufficient operational content to its institutional guidelines on post-conflict activities nor has it revised its current operational policy for disaster assistance to address such contexts. Secondly, the Bank's procurement and disbursement procedures often create stumbling blocks to recovery, including untimely aid delivery. Recognising the primacy of the peace-building imperative, the Carnegie Commission report, Preventing Deadly Conflict (1997) calls on the World Bank and the IMF to cooperate with the United Nations, "so that economic inducements can play a more central role in early prevention and in post-conflict reconstruction." Despite their self-described "apolitical" status, the World Bank and the International Monetary Fund now condition lending on politically sensitive criteria like "financial transparency," "good governance," and "unproductive expenditures" like high defence spending. They do so on the grounds of economic efficiency and sustainable development. The IFIs have also begun to incorporate social impact analyses into their lending practices and safety nets into their stabilisation and structural adjustment packages. The World Bank now realises that structural adjustment programmes must be "peace-friendly" and that the actual sequence of economic policy and governance reforms should be "tailored to avoid threatening the sustainability of

peace agreements." The past decade has witnessed the emergence of a "second generation" of aid conditionality focused on democratic governance, human rights, administrative accountability, and curtailed military expenditures.

Debt Relief for Rebuilding Capacity

One of the most valuable steps that the international community could take to build the capacities of countries emerging from conflict is to provide them with significant debt relief. Many such states find themselves strapped with huge financial obligations to international financial institutions, often incurred by former regimes. Without the early arrears clearance, they cannot receive new resources from either the IDA or the IMF, nor can they hope to attract significant foreign investment. In response to public pressure to reduce debt burdens on the world's poorest countries, the World Bank and the IMF sponsored the Highly-Indebted Poor Countries (or HIPC) initiative. Later, the Fund and the Bank extended this programme, partly in recognition of the challenge facing war-torn countries. Nevertheless, the HIPC remains inadequate on several counts. Another possibility under consideration would be to suspend loan repayment requirements for countries that show good faith in developing good governance and rule of law structures, making them eligible for grants and turning negative cash flows into positive ones for a sustained period of time. During this transition period, a longer-term arrears clearance programme could be worked out between the international financial institutions and the debtor country.

Fulfilling Unfulfilled Pledges

Peace accords and the aid commitments that accompany them generate tremendous expectations within societies torn by conflict. By promising to launch economic recovery, pledges of aid can help consolidate fragile peace agreements. Generous promises mean little; however, they can be translated promptly into accessible, flexible resources that make tangible improvements in the daily lives of long-suffering populations. It is of concern that much of the aid pledged by the international community arrives only after considerable delays, or never at all. The International community makes pledges, but there is typically a lag before these are translated into commitments, and still further into disbursements. Unsustainable and unpredictable disbursements can wreak havoc on reconstruction and peace-building efforts and shatter local expectations.

Two examples will help to illustrate a broader pattern of problems. Consider the case of the West Bank and Gaza Strip. In October 1993, international community responded to the Israeli-Palestinian Declaration of Principles by pledging some \$2.4 billion over five years to lay the economic foundation for self-rule in the West Bank and the Gaza Strip. By June 1997, the top ten donors to the Palestinian Authority had pledged more than \$3.4 billion and committed nearly \$2.8 billion, but less than half of the latter amount had been disbursed. The United States, ostensibly the largest donor, had delivered on only two-fifths of its initial pledge. Cambodia experienced similar difficulties with the uneven disbursement of approximately \$3 billion promised to support its postwar recovery. The donor community pledged \$880 million at the June 1992 Conference on Rehabilitation

and Reconstruction of Cambodia. Only \$200 million had been disbursed by September 1993 (when the new government was formed), and only \$460 million by the end of 1995. Moreover, many donor-driven projects were inappropriate for Cambodia's priority needs and barely touched rural areas outside the capital.

Tracking Aid Delivery

To ensure the efficacy and legitimacy of its efforts, the donor community must improve its capacities to monitor the delivery and implementation of post-conflict assistance. International community urgently needs a standardised accounting system for reporting aid flows, one that can be applied in every circumstance. Such a comprehensive database, broken down by pledges, commitments, and disbursements, should be updated quarterly and be readily accessible to all stakeholders and interested observers.

Making aid flows transparent would allow all stakeholders to assess progress and encourage international community to meet their obligations in a timely fashion. This has certainly been the experience in the West Bank and Gaza. The accurate, accessible database maintained by the World Bank and the Palestinian Ministry of Planning and International Cooperation has spurred international community to make good on their commitments and the Palestinian Authority to improve the implementation of delivered aid.

5.9 ASSESSING PROGRESS

Beyond creating mechanisms to gauge the delivery of promised assistance, the international community needs to develop tools to evaluate its impact. Within aid agencies, incentive structures generally reward the ability to "move money," rather than virtuosity in designing assistance appropriately. Consequently, societies emerging from conflict may receive aid that is redundant, harmful or squandered. The predictable result can be too much of the wrong type of aid. There are general reasons for the current inattention to issues of impact. The agencies lack simple methodologies to assess the results of recovery aid. It is difficult to apply data-hungry econometric models in many conflict-ridden environments, where even baseline data may be lacking. The donor community needs to develop benchmarks and indicators appropriate to war-torn settings.

5.10 SUMMARY

It is clear by the above in-depth analysis of the post-conflict responses by the international community that keeping the conflict-ridden society "peaceful" is a major challenge before the mankind.

Therefore, there is a greater need to make capacity building a measurable activity; the international community should devise benchmarks, appropriate to each country contextually that will allow them to gauge progress towards economic recovery, human security, and participatory governance. In the economic sphere, these indicators would measure the reconstruction of physical infrastructure and utilities, the composition of public spending, the degree of macroeconomic balance, the appropriateness of fiscal instruments, the country's debt position, the distribution of national wealth, the

reintegration of refugees, the provision of basic social services, the rehabilitation of agriculture, and the reactivation of critical industries.

In the security realm, benchmarks should assess the demobilisation of combatants, their reintegration into productive life, the reconstitution of armed forces, the creation of civilian police, the disarmament of the population, and the provision of personal security from crime. In the political arena, they should assess the strength of the rule of law and the judiciary, the protection of human rights, the progress of reconciliation panels and truth commissions, the conduct of democratic elections, the transparency of political institutions, the re-establishment of public administration, and the vigour of civil society. At present, neither the international community nor independent scholars possess sophisticated analytical tools to conduct longitudinal evaluations of recovery assistance. To assess the impact of recovery assistance, analysts will need to develop benchmarks for "success", defined in terms of sustainable economic recovery and the preservation of peace, and tools to evaluate the role that aid players in producing such outcomes. This in turn has implications for programme design, since such benchmarks need to be defined at the outset of a venture, rather than after the fact. Only a rigorous process of goal setting with measurable landmarks at the design stage will allow for corrective action at the stage of implementation — and the avoidance of bitter audit observations after resources have been squandered.

Evaluation efforts are generally assumed to be not only time-consuming but also expensive. In fact, recent experience suggests that evaluation can be done rapidly and in a cost-effective manner. For example, the path-breaking multi-donor evaluation of assistance to Rwanda, involving four teams and fifty-two people, lasted just a year and cost only \$1.8 million dollars, a fairly modest sum given the important lessons derived from the study. Moreover, the hidden costs of ineffective programme management due to the lack of evaluations can far exceed even the most thorough evaluation project and have an impact that is often not only monetary but also political. A final and a more difficult obstacle is that there are few incentives within aid agencies to conduct self-critical evaluations of aid impact. As in most bureaucracies, officials in these institutions are likely to be constrained by concerns of self-preservation. Honest appraisals may bring unwelcome publicity, jeopardising the external credibility and funding. Moreover, they may at times offend the recipient government.

5.11 TERMINAL QUESTIONS

1. 'Post-conflict recovery is an integral element of peace- building'. Discuss it at length.
2. Examine the role of United Nations in strengthening the conflict-ridden societies.
3. Discuss at length the role of the World Bank and International Monetary Fund in societies emerging from conflict.

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