

# **Recovering from War**

## Gaps in early action

A Report by the

**NYU Center on International Cooperation**

for the UK Department for International Development

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## Foreword

Policy-makers are increasingly preoccupied with conflict-affected states. During the 1990s, though a great deal of international effort was spent on the management of civil wars, only rare conflicts (Bosnia, the Middle East) rose to the political or strategic agenda. Today, partially as a function of the perceived connections between internal conflict and external threats, far greater political attention is being paid both to the sources of conflict and to the international response.

This was part of the context in which UK Prime Minister Gordon Brown delivered a speech in New Delhi, India, summarizing key flaws in the existing international architecture for peace and security. Among these was the often slow response of international conflict management actors in post-conflict situations. The UK government has argued that international mechanisms – particularly the UN – should be better organized to support stabilization and early recovery from conflict.

Thus the UK Department for International Development commissioned an evidence study (Terms of Reference attached) from the NYU Center on International Cooperation to identify in more detail the ‘gaps’ in the international response within this period. The attached study provides an evidence base to stimulate international discussion on the nature of these gaps and on potential responses to them.

Although the ‘gap’ has been the subject of numerous and lengthy ‘reform’ processes, the UK initiative constitutes an important departure from past efforts. To date, efforts to bridge, manage, straddle, or close the gap, or to better organize for conflict-to-peace transitions, have been led primarily from within international agencies themselves (though often with the support of bilateral donors). Some of these efforts have achieved results, as will be elucidated in the attached report. But as more has been achieved, more has been asked, and the international system is still struggling to keep pace with the scope and scale of demand.

The UK initiative, carried forward in the Security Council on 20 May, constitutes an important opportunity to make more decisive progress by linking three factors each required for progress: high-level political attention; the link to official bodies, including the Security Council, the Peacebuilding Commission and the Secretary-General; and the technical know-how that resides in both bilateral and multilateral agencies.

This report, viewed in isolation, addresses only a sub-set of the pertinent issues. But it need not be viewed in isolation. Recent studies address many of the adjacent questions, including: the role of the Peacebuilding Commission; priorities for statebuilding in conflict-affected states; reform of development practice; and the operational integration of political/security and development/humanitarian tools in peace operations. Recent reforms – including the establishment of the Peacebuilding Support Office at the UN and the [upgrading] of the Post-conflict and Fragile States Unit and Fund at the World Bank – hold the promise of renewed focus on implementation.

We thank the UK government for this chance to contribute to the debate.

Bruce Jones, Director, NYU Center on International Cooperation  
1 July 2008

# Table of Contents

<b>Executive Summary .....</b>	<b>4</b>
<b>Section I: Introduction .....</b>	<b>13</b>
I.A: Background and context .....	13
I.B: Definitions .....	14
I.B: Lessons from cases.....	15
I.C: Key findings in summary.....	16
I.D: A Note on context.....	18
I.E: Methods and exclusions .....	18
I.F: Structure.....	19
<b>Section II - Evidence from Cases .....</b>	<b>20</b>
II.A: The unintegrated toolbox .....	20
II.B: The substance of early recovery .....	22
II.C: Early recovery: a different type of programming .....	26
II.D: Ongoing reform - the ladder of unfilled expectations.....	28
<b>Section III: The gaps – and their context .....</b>	<b>31</b>
III.A: National capacity gaps – strategy, execution and politics .....	31
III.B: The strategic gap .....	34
III.B.i. A definition and a model .....	34
III.B.ii. The reality.....	35
III.B.iii. Assessment and evaluation.....	35
III.B.iv. Prioritization.....	36
III.C: The capacity gap.....	37
III.C.i. Multilateral capacity gaps: strategy and leadership.....	38
III.C.ii. Multilateral and bilateral capacity gaps: execution.....	39
III.C.iii. Business processes .....	40
III.D: The funding gap.....	41
III.D.i. Funding for capacity and planning.....	42
III.D.ii. Flexible and responsive funding .....	42
III.D.iii. Early access to development funds .....	43
<b>Section IV: Donors .....</b>	<b>44</b>
IV.A: Efforts at reform .....	47
<b>Section V: Conclusions and Recommendations.....</b>	<b>47</b>
V.A: Conclusions .....	47
V.B: Recommendations .....	50

## Executive Summary

1. The post-Cold War era has seen continuous efforts to deepen international conflict management capacity. That has produced real change, and real consequences – international efforts have contributed to a significant decline in the level of war since 1990. With this success has come greater demand, and the international system is now supporting the path to peace in over 20 countries – and struggling to cope.
2. An issue that has dogged efforts at reform is that of mounting *early* action to foster recovery from conflict. This was one of several gaps in multilateral architecture addressed by UK Prime Minister Gordon Brown in his 21 January speech in New Delhi, and has been the subject of renewed concern for many states. They are asking: is the international system well-organized to rapidly mobilize to help states and people recover from war?
3. The answer is: partially. Fifteen years of sustained investment in humanitarian response has created a tool that can respond rapidly, flexibly and, at times, coherently. Fifteen years of sustained investment in peacekeeping has created a tool that can respond flexibly, with increasing muscle and, at times, rapidly.
4. Peacekeeping and humanitarian tools are designed for crisis contexts and used uniquely in them. Organizing the international response around early support to economic recovery, livelihoods and services and the core task of state-building has proven a greater challenge. In this early period, these tasks are assigned to *ad hoc* and fractious groupings of bilateral and multilateral development actors who are *not* mobilized primarily to combat conflict and who *do not* operate primarily in conflict zones. Conflict units in development agencies are under-resourced, and have limited authority vis-à-vis their in-country counterparts. No state has reserves of civilians and public administrators to deploy into conflict, the way they do soldiers. Operating funds are raised voluntarily, sporadically, and slowly.
5. Also, strategic coordination across and within bilateral and multilateral systems is still resisted by some; coordinators still lack essential, yet basic, budget authority that could give coordination real teeth; and are under-resourced. The Peacebuilding Commission has begun to address some of these problems – but so far only in *late* recovery contexts, and has not yet exercised its mandate to improve coordination.
6. The consequences are that early initiatives to build a functioning government, to build its capacity to function and jump-start economic activity are frequently not launched. Lapses include investment in public administration, vital to the functioning of the state and service delivery; investment in agricultural recovery, vital to livelihoods; and security-sector reform, vital to sustained peace. Confidence in the political process is not maintained. All this contributes to poor outcomes: either international actors are compelled to stay longer (Bosnia); or recovery efforts falter (Afghanistan); or both (Timor Leste).

### *Definitions*

7. The usage of the term ‘early recovery’ is diverse and confused. It can refer both to response to disaster and conflict; to phases that are prior to the cessation of hostilities, and often (loosely) for much later action. The most frequently referenced definition is UNDP’s, which incorporates

pre-peace agreement action and highlights the socio-economic elements of recovery, less so political and security elements.

8. There are numerous other terms. ‘Transition’ is one which remains ill-defined. ‘Stabilization’ captures something of the appropriate goals, but is associated primarily with military operations and tends to be interpreted as referring only to political/security action. ‘Statebuilding’ has no agreed definition in international usage. The term ‘peacebuilding’ is used in two ways – either to refer to the entire post-conflict exercise, or to refer to the post-peacekeeping phase, what we might better term ‘late recovery’.
9. This report adopts a common-sense approach to the terminology, focusing simply on:
  - i) early efforts to **secure stability**,
  - ii) early efforts to **establish the peace**,
  - iii) early efforts to **resuscitate markets, livelihoods, and services**, and the state capacities necessary to foster them; and
  - iv) early efforts to **build core state capacity** to manage political, security and development processes.
10. Why? The period of time is fluid – a peace agreement can occur before or after the cessation of hostilities; and certain activities may be possible in geographic areas that are less conflict-affected irrespective of the status of the peace. Political ‘recovery’ is uneven, and partial reversals can create need for activities very similar to those needed in the immediate aftermath of hostilities. Some of the activities we describe could be used prior to the cessation of hostilities – in what might be called ‘pre-recovery.’
11. Indeed, the question of ‘pre-recovery’ – or quasi-developmental activities occurring prior to a cessation of hostilities – is a source of continued debate. By Terms of Reference, we examine only the period immediately prior to and following peace agreements. But it is rarely obvious precisely when an agreement will be signed. Limited efforts to protect or restore livelihoods, protect or restore limited state capacity in service sectors (education, health), or to simply deliver services, can build confidence in a peace process and ease the path to recovery. Pre-recovery activities are often warranted, subject to obvious political constraints.

### *Evidence from cases*

12. Recent cases demonstrate the need for continued reform. In Timor-Leste, a comprehensive failure to invest in the security sector, in agriculture, and in youth employment during the first phase of UN administration contributed to the political/institutional crisis of 2006, leading to the need for a follow-on mission and new investment. Why? Reluctance by the Security Council to see the mission budget incorporate core statebuilding functions, and divergence between the mission and the World Bank meant there was no unifying plan that prioritized state recovery. A lack of standing capacity meant that few individuals existed to plan strategy; a lack of capacity more broadly meant that efforts on the police and rule-of-law sectors were weak (and agriculture non-existent). Money arrived in time, but was spent slowly.
13. As it was in south Sudan, where to this day there has been limited disbursement of development funds. Sudan illustrates a Catch-22 of early recovery: development funds have gone unspent because nascent government authorities have not yet established priorities for development or

systems to disburse – but the purpose of these funds should *precisely* be to build the capacity of the nascent government to do so.

14. Afghanistan has been characterized by similar problems. Funding is hard to trace, and has been slow to disburse. However few would contest that in Afghanistan the problem is not primarily one of funding but one of strategy. Only late in the day have the most powerful actors in Afghanistan come around to the realization that competing strategies equals no strategy, and have turned to the UN to lead.
15. There have been some bright spots. In Lebanon, the system was flexible enough to work through municipalities in the face of central government paralysis; in Nepal, the Danish government adopted an innovative and flexible strategy and funding instrument; in Afghanistan, the Law and Order Trust Fund paid salaries in key security sectors rapidly after the Bonn Accords. In Haiti, after decades of missteps, the new UN mission has used the blended tools of diplomacy and force to good effect, and has worked with the international financial institutions to forge a clear strategy for longer-term recovery, focused on rule of law and economic reform. Full implementation of that strategy will be a challenge.

### *Key findings: “No strategy without capacity”*

16. Our analysis identified three primary weaknesses in international performance in early recovery:
  - A **strategic gap** – there was no evidence of strategy that encompassed political, security, development and humanitarian tools across bilateral and multi-lateral actors; and no framework for prioritization.
  - A **financing gap** – instruments are neither flexible nor dynamic enough. Specifically:
    - there is a gap in funding for *standing capacity for strategic planning at country level* –
    - there is a gap in funding for *political implementation* –
    - there is a gap in funding that is *realistic, flexible, and responsive* –
    - there is a gap in the ability to *spend development money early*.
  - A series of **capacity gaps** – in leadership capacity; in implementation capacity; in sheer availability of civilian resources, and in a lack of training for purpose. **To date, there has been no joint assessment of need, and bilateral efforts to are poorly coordinated.**
17. These gaps neither exist in nor can be solved in isolation. The strategy gap both drives and is driven by the funding and capacity gaps; providing funding in the absence of capacity to execute or strategy to guide will not address these challenges. **A serious response must work across these three gaps.**
18. Linked to the ‘strategy gap’ is a **‘peace process gap’** – i.e., the lack of strategy for implementation of peace agreements. Some of this is endemic to the nature of negotiations: if all obstacles to implementation were raised during mediation, no agreement would ever be signed. Nevertheless, effective support to peace processes on fiscal and socio-economic issues could ameliorate this problem.
19. All of these are set in a **national political context**. Sometimes this is described as a **‘national gap’**, and sometimes it is – most acutely when ministries have extraordinarily limited human resources (e.g. C.A.R), but also when governments are constrained by unresolved political issues (Lebanon), or have neither experience with nor systems for planning. But national capacity is often overlooked or underestimated; or absorbed into NGOs and UN agencies rather than supported within national structures. And national capacity may exist in diaspora or refugee communities. **A critical flaw of early recovery efforts is that they do not start with an assessment of national capacity, or of the ‘the state of the state’.**
20. While our analysis focuses on early recovery, these activities are undertaken by actors within established institutions, many of which have **business practices** unsuitable for early recovery – especially in the areas of human resources, procurement, and IT systems.

### *Natural Disasters*

21. The terms of reference for this study explicitly focused on early recovery after *conflict*, and specifically excluded work on natural disaster recovery. This was a decision dictated by expertise, focus, and extreme time constraints, and not of a view that recovery from disaster is not an important topic for investment. Some of the challenges of recovery are constant across post-conflict and post-natural disaster contexts. There can also be important differences, often in

government capacity, usually in government consent (though recent experience in Myanmar highlights that there are exceptions to that rule). Many of the gaps identified herein have analogs in natural disasters, and could be met with variants on our proposals.

### *Programming for Early Recovery: A different approach*

22. The evidence also shows that the necessary action in the early recovery phase fits poorly with the main existing tools/actors. It is political, but requires a focus on socio-economics and programs. It is developmental, but requires risk taking, political/conflict sensitivity, and speed of maneuver. It operates alongside humanitarian space, but requires a focus on the state. The ability to integrate political nous with economic strategy and do so with a degree of flexibility normally characteristic of humanitarian action exists the very best SRSGs/Deputy SRSGs, agency heads and in-country donor representatives, but is in short supply in the system as a whole. Far from encouraging this kind of action, international systems militate against it. They are **un-integrated, respond to disparate incentives, operate on different timelines and budgets, and are nowhere forged into common strategy.**
23. The initial evidence also suggests the need to tackle early recovery through a different approach. **The deeply political nature of post-conflict recovery** cannot be overstated. Decisions that in normal development contexts have low costs can in early post-conflict contexts have serious repercussions, putting a premium on training and conflict sensitivity. Moreover:
  - *Capacity building programs need to be willing/ able to take risks to build national capacity absent clear national direction.* In early recovery, where government is not organized to articulate priorities except at the broadest level, it is possible to identify key steps that must be taken to facilitate government leadership and support local capacity and ownership. Paralysis in waiting for government to have the capacity to lead delays the point where the government can do so.
  - *“Good enough development” is necessary..* The objectives of early recovery programming are to help implement peace, secure stability, and begin to restore state capacity. Given these objectives, and the frequent lack of counterpart capacity and ownership, programming that is not designed to be sustainable is often necessary. This means a willingness to spend money to secure the peace dividend – in ways that may not be ideal in the long term, but that serve the important short term goal of stability and sustainability of recovery.
  - *Programming needs to be more fluid and flexible.* Reality must drive programming, supported by assessment, strategy, and planning. This requires adaptability to shifting political climates, shifting institutional capacities and underlying political, social and economic realities. Innovative methodologies to deliver will be required in post-conflict contexts.
  - *Early recovery programming cannot pretend to development levels of risk management.* There has long been acceptance of higher levels of risk in the humanitarian sphere. This does not mean a lowering of fiscal standards, but puts the burden of accountability on international actors. It also means that donors must be willing to sacrifice the donor flag to common strategy and to take greater risks than are the norm in traditional programming. The cost of not taking risks is high.
24. Reflecting these tensions, much criticism from practitioners was attached to the dominance of the Millennium Development Goals and the poverty reduction paradigm in the early recovery sphere. The goal of post-conflict efforts is the development of a state that is able to manage its political process and build a social contract; sustain its own security; respond to its people’s

demand for development; and uphold international principles such as human rights. **The goal of early recovery is to create a solid platform for this: enough national capacity to carry that process forward; and enough momentum on the political process and enough activity on the economic front to sustain confidence at both elite and popular levels in the viability of the political alternative to conflict.**

### *Donors*

25. The development community as a whole has been slow to recognize the specific imperatives of recovery after conflict, or to prioritize them. At the level of bilateral donor governments, there has been until late **a failure of vision** to place the necessary resources or political priority on conflict-related (preventative or curative) development, or to change business practices to accommodate it. This has had a significant knock-on effect on the multilateral system. Four specific problems characterize donors' efforts:
- *Bad donorship.* Despite OECD progress, donor funding remains insufficiently flexible, predictable, or timely; rather, it is frequently earmarked, and subject to swings in scale, delayed disbursement, and a plethora of unsynchronized and unrealistic reporting requirements and conditions.
  - *Specialized should not equal marginalized.* Yes, there are specialized aspects to early recovery, but there needs to be a coherent response. Those leading in-country early recovery efforts need to be able to lean on counterparts in infrastructure sections, or capacity-building teams, who are trained in conflict-sensitive development and willing to acknowledge the political framework in which they act, and to work together. They also need to be able to access and influence longer-term development programming.
  - *Who Guards the Guardians?.* Donors have understandably placed increasing emphasis on accountability, especially on anti-corruption. But accountability of recipients to donors tends to displace the accountability of recipient states to their citizens. And donors remain largely unaccountable beyond their national systems. It is near impossible to track early recovery spending, and there is reluctance/inability to explain what is being spent where, when, and why.
  - *Aid orphans.* Outside Iraq and Afghanistan, only the D.R. Congo makes it onto the 'top 15' list of recipient countries ranked by number of donors spending. A major challenge ahead is creating a credible process – within the OECD – whereby traditional and emerging donors can collectively identify 'aid orphans' and share responsibility for long-term funding relationships.
26. Some of this has begun to change. The World Bank has recently set conflict recovery as one of six main priorities institutional and has initiated some processes to this end; outcomes are as of yet limited. UNDP has Conflict Prevention and Recovery as one of its four focus areas, though funding allocations have not yet followed. Some donors (e.g. Sweden) have re-organized to raise the priority of post-conflict cases and ease access to development funding. Many have adopted 'whole of government' approaches, though implementation remains a challenge. The Accra process on development effectiveness has begun to articulate the specific needs of recovery. Non-traditional donors such as South Africa, India, and Brazil have begun to invest in post-conflict action. **Political leadership** remains necessary: effective multilateral systems rest on effective national ones.

## *Conclusion*

27. As governments (traditional and non-traditional donors) begin to make serious changes to the way they approach development in conflict, they can also drive reform at the multilateral level. This will require engagement in the Peacebuilding Commission, and with the system leaderships – especially the Secretary-General, the UNDP Administrator, and the President of the World Bank – and different approaches in governing boards, ECOSOC and the GA. **Some steps can be taken quickly, to generate improved performance within existing arrangements.** There is no ‘easy path’ or ‘recipe’ for effective statebuilding. There are, however, steps that can be taken to support these processes, faster.
28. A more sustained answer will require **raising the profile of development in conflict** (or of conflict in development); increasing the prioritization of spending in fragile and conflict-affected states; and increasing the authority of post-conflict or fragile states units over in-country programs.
29. This would be a vital step in moving towards a system with **clear division of labor** around priority tasks. The forthcoming Memorandum between the World Bank and the United Nations lays out a platform, appropriately, where such coordination would be driven at the country level, based on presence and capacities. The signature of this Memorandum (and the accompanying Annexes) will provide a crucial first step towards clarity at the operational level for this division of labour. Further work, however, will be necessary to ensure that future investment in the overall capacity of the system is coordinated – building, for example, on the World Bank’s expertise in Public Administrative Reform, on BCPR’s work in the justice sector, on DPKO’s experience in SSR and on DPA’s work with constitutions and elections – rather than duplicating capacities. For the UN system in particular, the Secretary-General could use the report requested by the Security Council on 20 May to clarify **core functions and accountability**.
30. The Secretary-General – using the **Peacebuilding Support Office** and/or the **Policy Committee** – also has critical responsibilities: for triggering action, and for ensuring that that the international system comes together around effective strategy in support of the in-country lead: ideally, a well-qualified **SRSG with effective authority**, supported by a **properly resourced Deputy SRSG/RC**<sup>1</sup> – linked to effective **donor coordination mechanisms** and a well-resourced and coherent **Country Team**.
31. Success will depend also on continuing efforts to achieve the goals of the **‘integrated mission’** process, but flexibly so; on applying the **‘One UN’** concept to conflict settings; and to realize the ambitions behind the creation of the **Peacebuilding Commission**.

## *Summary of Recommendations*

32. International action in early post-conflict recovery should be aligned against two core objectives: implementing the peace agreement; and building national capacity to sustain the political process, maintain security, and lead national development efforts. The report and the evidence stress that the creation of national capacity is both primary, and is currently poorly done. The following set of recommendations focus on mechanisms that exist for international intervention, and on how they can best be improved:

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<sup>1</sup> In countries where there is no SRSG, the RC would need to have the authority and be properly resourced.

**Closing the Strategic Gap.** The ability of UN in-country leadership to rapidly drive effective strategy for early recovery would be enhanced if they could draw on:

- (1) **Integrated Standing Early Recovery Strategy Teams** (INSERT). Such teams could be led by experienced RCs/Deputy SRSGs/World Bank Representatives and comprised of 10-15 experts with experience in post-conflict recovery in a range of sectors (e.g. public administration, public finance, agriculture, security sector reform.) These teams could stay in-country for 3-4 months, working with the mission and the Country Team as well as bilateral actors to help develop shared strategy. They could also be deployed where no peacekeeping/political mission is planned, to support the UNCT. They should be housed at PBSO or BCPR and deployment should be triggered by the SG.
- (2) A standardized but light and flexible version of the **Integrated Peacebuilding Strategy** piloted by the PBC, and a 'light' Post-Conflict Needs Assessment process (as being explored by UNDP/G and the World Bank.) This should include rapid implementation of a **'state of the state' assessment** – along the lines modeled by the Institute for State Effectiveness. The INSERT teams could work on the development of such tools (and links to others such as mission planning) when not deployed. Also, the 'peace process gap' could be ameliorated if there was a flexible link between the INSERT teams and the Mediation Support Unit.

**Closing the financing gap.** A more effective system for financing early recovery can be accelerated by:

- (1) Expansion of the use of the PBF to support operational spending around political activities by SRSGs, and to provide INSERT teams with limited seed funding.
- (2) Following the Accra meeting on aid effectiveness, establishment of an Early Recovery Financing Task Force. A Task Force of bilateral actors should work on reform of their own development systems – goals should include **reprioritization of funds towards conflict-affected states**; and **new mechanisms to ensure early, easy access to those funds**, with higher acceptance of risk. They should work together, to align bilateral approaches, and they should consult frequently with the World Bank, the UN leadership, and experienced SRSGs/RCs. They could work through the OECD to (a) identify 'aid orphans', (b) share responsibilities for taking up new countries with long-term commitment, while properly supporting other existing mechanisms..
- (3) An in-country pilot of an Early Recovery Fund (similar to the Common Humanitarian Funds, or an MDTF light) could be developed *if* action on the in-country pilot does not detract from the goals of the Task Force *and* the funds are additional not simply redirected. SRSG authority over spending from such funds would strengthen strategy processes. Existing models, such as the Afghan Interim Authority Fund, may be useful to prevent an unnecessary proliferation of instruments.
- (4) Continued expansion of the peacekeeping assessed budget for core activities supported by DPKO.

**Closing the capacity gap.** To fill the gap in civilian capacity, several steps will be needed.

- (1) Shared assessment of need, and establishment of a 'clearing house' to coordinate national efforts.

- (2) Development of strategies for building (or mobilizing) civilian capacity in the global South for deployment into multinational operations.
- (3) Investment in multilateral planning capacity, training, and stand-by teams for core sectors such as security sector reform and the rule of law (modeled on the standing police capacity at DPKO).

# Recovering from War

## Section I: Introduction

### I.A: Background and context<sup>2</sup>

1. The post-Cold War era has seen continuous efforts to expand and refine international conflict management capacity. That has produced real change, and real consequences – international efforts have contributed to a significant decline in the number and levels of war since the early 1990s.<sup>3</sup> With this success, though, has come greater demand, and the international system is now supporting the path to peace in over 20 countries – and struggling to cope.
2. An issue that has dogged reform efforts is that of mounting early action to foster recovery from conflict. This was one of several gaps in multilateral architecture addressed by UK Prime Minister Gordon Brown in a speech in New Delhi, and has been the subject of renewed concern for many states. In essence, these states are asking: is the international system well organized to rapidly mobilize to help states and people recover from war?
3. The answer is: partially. Fifteen years of sustained investment in humanitarian response has created a tool that can respond rapidly, flexibly and (at times) coherently. Ten years of investment in peacekeeping after the crises of the mid-1990s has created a tool that can respond flexibly, with increasing muscle, and (at times) rapidly.
4. Peacekeeping and humanitarian tools are designed for crisis contexts and used uniquely in them. Organizing the international response around early support to economic recovery, livelihoods and services and the core task of state-building has proven a far greater challenge. In the early period after conflict, these tasks are taken on by ad hoc and fractious groupings of bilateral and multilateral development agencies who are not mobilized primarily to combat conflict and who do not work primarily in conflict settings. Conflict units in development agencies are comparatively under-resourced and have limited authority vis-à-vis their in-country counterparts. No state has reserves of civilians and public administrators to deploy into conflict, the way they do soldiers. Operating funds for economic recovery and statebuilding are raised voluntarily, sporadically, and slowly.
5. Also, strategic coordination across and within bilateral and multilateral systems is still resisted by some; coordinators still lack essential, yet basic, budget authority that could give coordination real teeth; and are under-resourced. The Peacebuilding Commission has begun to address some of these problems – but so far only in late recovery contexts, and has not yet exercised its mandate to improve coordination.

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<sup>2</sup> Case research also undertaken by Dr. Shepard Forman, Dr. Elizabeth Cousens, and additional contributors. With additional research support from Megan Gleason, Denise Kassab, Ken Nisbet, and Katherine Toth.

<sup>3</sup> *Human Security Report*, 2004; Vancouver, BC: Human Security Center, UBC.

## I.B: Definitions

6. The period of between 12 and 18 month after the cessation of hostilities or signing of a peace agreement is often described as ‘early recovery.’ The usage of this term, however, is diverse and confused. It can refer both to response to disaster and conflict; to phases that are prior to the cessation of hostilities, and often (loosely) for much later action – as in a recent UN initiative in Timor Leste, fully 9 years after the establishment of the UN peacekeeping presence. The most frequently referenced definition is that of UNDP, which highlights only the socio-economic elements of recovery, largely neglecting the political and security dimensions of recovery.
7. There are numerous other terms. ‘Transition’ is one which remains ill-defined.<sup>4</sup> ‘Stabilization,’ likewise, is a comparatively new term of art and captures something of the appropriate goals, but is associated primarily with military operations and tends to be interpreted as referring only to political/security action. ‘Statebuilding’ has begun to enter the vocabulary, but as yet there is no agreed definition in international usage, and in scholarly use it tends to refer to long-term processes.<sup>5</sup>
8. Adding to the confusion, the term ‘peacebuilding’ is used in two quite different ways. Many practitioners and academics use the word peacebuilding as an all-encompassing term, both in scope and time frame – i.e., to refer to the overall set of security, political, humanitarian, and developmental activities that occur from day one after conflict and prior to full-blown peace and sustainable development. However, many international diplomats, especially at the UN, use the term to refer to what we would describe as ‘late recovery’, or ‘peace consolidation’ – i.e., after the security-intensive, peacekeeping-focused phase of recovery. This confusion in usage is evident in the debate surrounding the role of the Peacebuilding Commission – initially designed to perform a range of early recovery functions but in practice has to date only been asked to take on ‘late recovery’ contexts.
9. This report adopts a common-sense approach to early recovery, focusing simply on:
  - v) early efforts to **secure stability,**
  - vi) early efforts to **establish the peace,**
  - vii) early efforts to **resuscitate markets, livelihoods, and services, and the state capacities necessary to foster them; and**
  - viii) early efforts to **build core state capacity to manage political, security and development processes.**

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<sup>4</sup> The General Assembly (UNGA) has been at pains to avoid definition. The negotiations around the Triennial Comprehensive Policy Reform (TCPR) in the UNGA62 (in the fall of 2007) clearly illustrated the politics of definition.

<sup>5</sup> In *From Fragility to Resilience* – a CIC/IPI concept paper for the OECD Fragile States Working Group – we proposed a definition of statebuilding: “purposeful action to develop capacity, institutions and legitimacy of the state in relation to an effective political process for negotiating the mutual demands between state and societal groups.” That paper then articulates how “legitimacy is a principal outcome of the effectiveness of such a process over time, although legitimacy may also be embedded in historical identities and institutions,” and stresses that “capacity and resources, institutions, legitimacy and an effective political process combine to produce resilience. Successful state building will almost always be the product of domestic action, but it can be significantly enabled by well-targeted, responsive international assistance.”

10. Why? The period of time described here is necessarily fluid – a peace agreement can occur before or after the cessation of hostilities; certain activities may be possible in geographic areas that are less conflict-affected irrespective of the status of the peace, and in large countries and over time, areas shift in and out of conflict. Political ‘recovery’ is often uneven, and even partial reversals can create need for activities very similar to those needed in the immediate aftermath of hostilities. Some of the activities we describe, and tools we recommend, could in some circumstances be used prior to the cessation of hostilities – in what might better be called ‘pre-recovery.’
11. Indeed, the question of ‘pre-recovery’ – or quasi-developmental activities occurring prior to a cessation of hostilities or signing of a peace agreement – was a source of debate at the outset of this study. By terms of reference, we examine only the period immediately prior to (6 months) and immediately following (12-18 months) peace agreements.
12. But it is rarely obvious precisely when a peace agreement will be signed. We do note that limited efforts to protect or restore livelihoods, and protect or restore limited state capacity in service sectors (education, health), can both help to build confidence in the value of a peace agreement and ease the path to recovery once peace agreements are signed. Pre-recovery activities are often warranted, though subject to a range of political and operational constraints.
13. The operative injunction for this study is early – how to generate early action both to ensure that peace is established and to foster the ability of the state to manage itself (in ways that are resilient, effective and legitimate.) Framed by the definition above, but in the context of our Terms of Reference, we have focused our research roughly on the 12-18 months following a peace agreement or cessation of hostilities, and on the period between a peace agreement and initial elections, as the typical, though not uniform, ‘early’ phase of recovery.
14. We exclude from this core humanitarian action – including the protection of civilians – which will of course be undertaken simultaneously. Early recovery strategy must be cognizant of humanitarian action, and facilitate and share space with it, not compete with it – but humanitarian action is not the same thing as early recovery, and should not be conflated with it.

## **I.B: Lessons from cases**

15. As Section II demonstrates, recent cases show the need for continued reform. They also highlight critical issues and needs. In the early post-conflict period, in addition to the need for humanitarian assistance and the ongoing protection of civilians, evidence from past and recent cases shows a need for rapid implementation of the political settlement to establish the peace and maintain the confidence and commitment of the parties; coupled with rapid action to create an enabling security environment. Building the foundations of recovery also requires rapid, demonstrable improvement to the lives and livelihoods of local populations – though the evidence about local expectations and tolerances is mixed, and there are grounds for caution. Centrally, there is a need for early action to build or restore the capacity of the state (at central and local levels) to manage its own recovery. Together – not separately – these constitute a ‘peace dividend.’
16. Action in this early stage is crucial to laying a solid platform for national ownership of sustained recovery. US Ambassador to the UN and former envoy to Afghanistan and to Iraq Zalmay Khalizad has highlighted, the costs of insufficient investment during this “golden hour” – the period immediately following the cessation of hostilities and/or the establishment of a peace

agreement, when political space is fluid, and popular sentiment is aligned with overarching international objectives.<sup>6</sup>

17. The evidence also shows that the necessary action in this phase is of a kind that fits poorly with none of the main existing tools/actors. It is political, but requires a focus on socio-economics and programs. It is developmental, but requires risk taking, political and conflict sensitivity, and speed of maneuver. The ability to integrate political nous with economic strategy and do so with a degree of flexibility normally characteristic only of the humanitarian agencies is what characterizes the very best SRSGs/Deputy SRSGs and Resident Coordinators, but is in short supply in the international system as a whole.
18. As they currently operate, international systems militate against this kind of action. The consequences are that early initiatives necessary to build a functioning government and jump-start economic activity are frequently not launched. Examples include investment in public administration, vital to the functioning of the state – weaknesses in this in Timor Leste contributed to that country's relapse into conflict); investment in agricultural recovery (and related infrastructure, like farm-to-market roads), vital to livelihoods (often 35-70% of the national economy, but attracting only 2-3% of external funding) – for example in Afghanistan; and security-sector reform, vital to everything else. This contributes to poor outcomes, of one of two types: either international actors are compelled to extend their presence in recovery contexts (Bosnia); or recovery efforts fail, or fall short, causing reversals (Afghanistan); or both (Timor Leste).
19. Of course, poor outcomes of that type are not exclusively – not even primarily – the result of international actions. The flip side of the international mantra of 'national ownership' is national responsibility: national actors are the prime drivers of outcomes, good or bad. International assistance can only ever facilitate national action. But it can facilitate it well, or badly, or insufficiently – and that is our focus here.

### **I.C: Key findings in summary**

20. Our analysis identified five key weaknesses in international performance in early recovery.
  - There is a lack of evidence about, focus on and delivery to **national capacity** in the early stages that would support the formation of national ownership **and leadership**. National ownership and leadership of developmental and political processes is the only path to resilience and stability.
  - There is a shortcoming in support to **peace processes**, and inadequate planning that uses the peace-process as part of the platform for early recovery. (Of the cases we reviewed, Nepal was the one which most vividly illustrated the shortcomings of current mechanisms to fund political processes.)

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<sup>6</sup> Amb. Zalmay Khalizad, Speech, Wagner School of Public Policy / Center on International Cooperation, April 2008.

- There was no evidence of coordination or **strategy** that encompassed political, security, development and humanitarian tools across either the bilateral or the multilateral actors, or both.
  - The **funding** instruments, mechanisms, and programs used are neither flexible nor dynamic enough to accommodate the shifting sands of post-conflict countries.
  - Underlying these is a series of **capacity gaps** that characterize both the sheer absence of human capacity and a lack of training for purpose.
21. These gaps neither exist in nor can be solved in isolation. The strategy gap both drives and is driven by the funding and capacity gaps; providing funding in the absence of capacity to execute or strategy to guide will no more address these challenges than providing a robust strategy that drives no funding. A serious response must work across these three gaps.
  22. We focus in this report on **the strategic gap** (which encompasses questions of leadership, strategy process, assessment, and prioritization); **the capacity gap** and **the funding gap**. These are the three which are primarily characteristic of international efforts.
  23. All of these are set in a **national political context**. First, this means that development activities must be viewed through the prism of their impact on the process of building state legitimacy, as well as state capacity. To use the short-hand of the development community, it must be ‘conflict-sensitive’. To be more precise, development assistance in this period needs to support a political strategy for implementation of a peace agreement or consolidation of the peace – a strategy (ideally) led by the UN SRSG. Second, it means that national capacity is central. Sometimes this is described as a **‘national gap’**, and sometimes it is – most acutely when core state ministries have extraordinarily limited human resources, but also when national political systems are newly forged after war, and have neither experience with nor systems for economic planning, management of an external budget, or similar. But national capacity is often overlooked or underestimated; or absorbed into NGOs and UN agencies rather than supported within national structures. And national capacity may exist in significant quantity in diaspora or refugee communities – though not always. One critical flaw in most early recovery efforts is that they do not start with an assessment of national capacity, or of the **‘the state of the state’**.
  24. Our study also finds that early recovery efforts are set within an overarching **‘peace process gap’** – i.e., the lack of clear strategy for implementation of peace agreements. Some elements of this gap – particularly a lack of clear plans and timetables for the implementation of key provisions of peace agreements – are endemic to the nature of political negotiations in civil war contexts: if all obstacles to implementation were raised during mediation, no peace agreement would ever be signed. A willful suspension of disbelief in the practicalities of implementation is frequently a necessary condition of agreement by distrustful parties, or a simple result of bargaining outcomes. Nevertheless, this is a significant barrier to improved performance at all levels.
  25. We also note that while our analysis focuses on activities in support of early recovery, most of these activities are undertaken by actors with broader remits or within established institutions and their business practices, many of which are unsuitable for early recovery. We add to the panoply of challenges a ‘business practices gap.’

## I.D: A Note on context

26. No two conflicts are the same, though they may share similar features. Conflicts vary:
- by *scale* of country and population – compare the challenges of response in Haiti and Sudan;
  - by *type* – separatist conflicts (Kosovo) have very different dynamics than wars for control of the state (Burundi) or than resource-driven conflicts or interstate wars (Ethiopia-Eritrea);
  - by *neighborhood* – implementing early recovery on the borders of the European Union’s common market is different than doing so in Central Africa;
  - by *nature of the state* – rentier states are different than technocratic states, which are different than states based on charismatic leadership;
  - by *capacity of the state* – the Iraqi state had deep capacity, whatever the ends to which it was put; the Central African Republic has radically limited capacity, either locally or in diaspora communities);
  - by *history* – the trajectory of the Afghan state and its social contract with the Afghan people is radically different than that of Burundi); *and*
  - by *degree of international attention* – tens of billions will end up having been poured into Afghanistan’s recovery; at best, tens of millions will be spent in Guinea-Bissau.
27. Across these conflicts, similar tools might be used – but they must be deployed in different ways, and at different scales, through tailor-made strategies. In orchestrating strategy for early recovery, the specificity of context is paramount.

## I.E: Methods and exclusions

28. This is a foundational study, done in a short amount of time, with limited resources. As such, much of the evidence for gaps emerges from extensive conversations with practitioners, donors, officials, and other actors. It is nearly impossible to substantiate such claims in a way that precludes criticism. A more rigorous and inclusive survey would be welcomed.
29. To mitigate the effects of our reliance on these claims, we deliberately designed our study around the conclusions of a major, multi-country study (Palestinian Authority, Cambodia, and Mozambique) conducted by CIC with a range of southern partners in 2000. The “Pledges of Aid” study has been widely referenced as capturing the state of play in war-to-peace transitions at that stage, particularly with regard to the funding of the developmental aspects of post-conflict.<sup>7</sup> We reviewed the series of reform initiatives that have moved the system forward between 2000 and the present (some of which we were directly engaged in).
30. With that work as a foundation, we then examined six recent cases of recovery (Afghanistan, Timor Leste, Nepal, Sudan, Haiti, and Lebanon) to garner recent experience, and complemented these with extensive interviews to capture the contemporary state of play. We also drew on CIC’s ongoing work in Afghanistan – particularly an analysis undertaken in 2003-2004 of the flow of funding since the Bonn Accords were signed. By these means, we hope that our evidence is situated in a wider context.

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<sup>7</sup> Shepard Forman and Stewart Patrick, *Good Intentions: Pledges of Aid for Post-conflict Recovery*. Boulder, CO: Lynne Reinner, 2000.

31. There are three primary exclusions from this study: (i) non-DAC donors, (ii) NGOs and the private sector, and (iii) disaster relief.
32. For the purposes of this study, donors were defined as members of the OECD's Development Assistance Committee (DAC). Nineteen DAC donors were contacted; 18 responded and were interviewed. Given time and travel constraints, non-DAC donors were not interviewed. This should not be seen as a failure to recognize the importance of non-DAC actors in countries emerging from conflict – as troop contributors, donors, Security Council and PBC members, and bilateral actors. Adjacent studies by CIC and others do track the role and performance of non-DAC donors, and we drew on insights from this work.
33. Similarly, NGOs and civil society organizations play critical delivery and advocacy roles, particularly in the humanitarian sector, but also beyond. Even aspects of response ostensibly carried out by UN agencies involve NGOs as prime delivery agents. NGOs and civil society groups are also important in responding to early recovery needs, especially in provincial areas and at the community level. The private sector, local and international, can also be a key player in early recovery. Again, limitations of time dictated that we not engage in extensive dialogues with NGOs or the private sector – but adjacent studies by CIC and partner institutions allowed us to draw on in-depth evidence of the state of play on UN-NGO interactions, including on the critical question of NGO access to recovery funding.<sup>8</sup>
34. The terms of reference for this study explicitly focused on early recovery after conflict, and specifically excluded work on natural disaster recovery. This was a decision dictated by expertise, focus, and extreme time constraints, and not of a view that recovery from disaster is not an important topic for investment. Some of the challenges of recovery are constant across post-conflict and post-natural disaster contexts. There can also be important differences, often in government capacity, usually in government consent (though recent experience in Myanmar highlights that there are exceptions to that rule). Many of the gaps identified herein have analogs in natural disasters, and could be met with variants on our proposals.

## **I.F: Structure**

35. In what follows, Section II lays out evidence from the cases about the nature of existing responses; Section III goes into greater detail about the nature of the three core gaps that are the focus of this study; and Section IV focuses on the role of donors and outlines what we argue has been a failure of vision to tackle the challenge of development in conflict. Section IV provides Conclusions and Recommendations.

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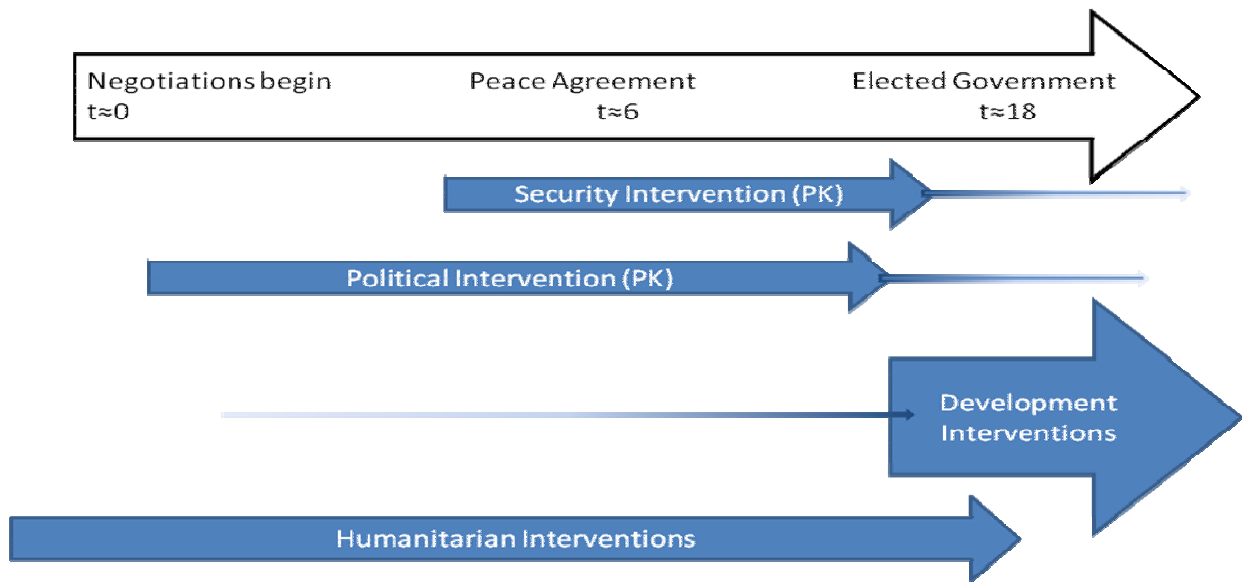
<sup>8</sup> CIC/ODI evaluations of Common Funds and CIC/ODI evaluations of Cluster Approach.  
[www.cic.nyu.edu/humanitarian](http://www.cic.nyu.edu/humanitarian).

## Section II - Evidence from Cases

### II.A: The unintegrated toolbox

36. Currently, the international system (bilateral and multilateral) operates with four distinct sets of tools: (i) humanitarian, (ii) development, (iii) political, and (iv) security. These tools are implemented in a tiered fashion, as though they address different problems.

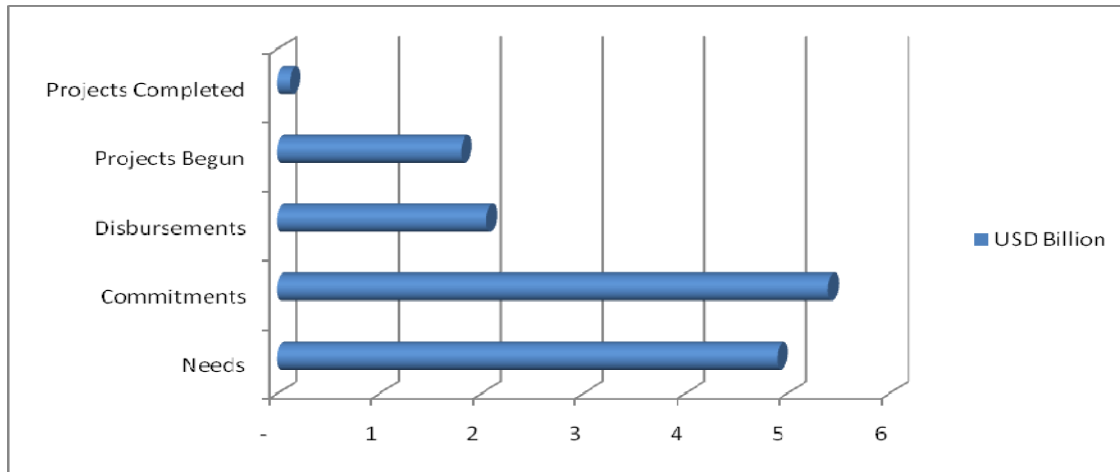
**Figure 1: The tools of international action**



37. Take as an example the timeline in Sudan. The Comprehensive Peace Accord (CPA) was signed on 9 January 2005, following over a year of negotiations. The UN Mission in Sudan began deployment in June 2004, and reached 97% of its military capacity in September 2006. Humanitarian action was – and is, over three years later – ongoing. A multi-donor trust fund (MDTF) to support efforts to build up domestic institutions in south Sudan was established in August 2005, but by January 2006 – a year after the signing of the CPA – no significant spending from that trust fund had occurred. Only by March 2006 did spending begin to get underway. The Catch-22: World Bank officials explain that they had no ability to expend from the MDTF absence government officials themselves setting priorities, approving expenditures, etc – but the government officials in question had next to no human resources, and the purpose of the MDTF was precisely to help build that capacity.
38. A similar timeline held in Afghanistan. Between the signing of the Bonn Accords at the end of the war and the beginning of real disbursement from funding instruments, over a year had passed. The chart below highlights the time lag between the first phase of assessing need – a process, in this

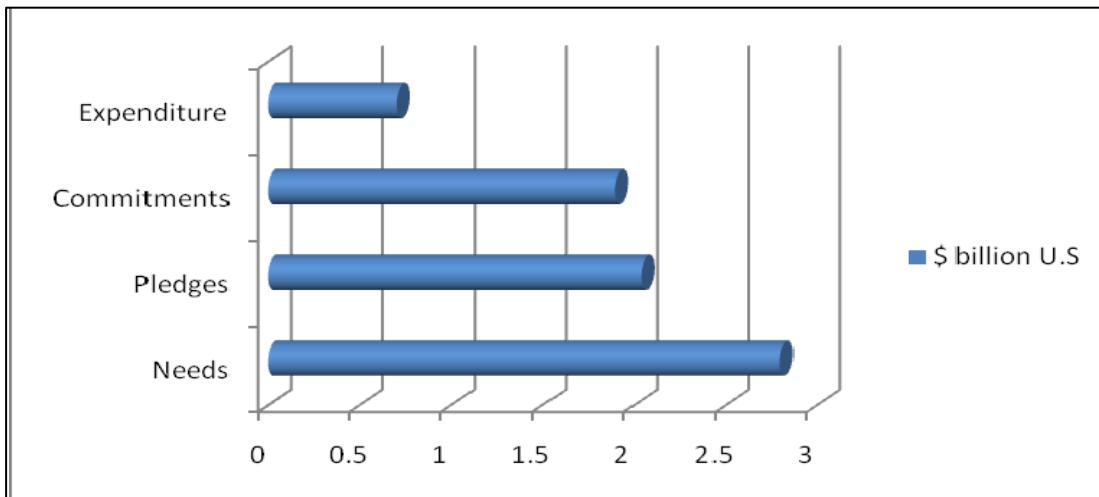
case, actually led by the Afghan authorities – and disbursements of international spending.<sup>9</sup> Ironically, in this case commitments actually were larger than assessed needs.

**Fig 2: Status of Expenditure in Afghanistan, February 2004**



39. Afghanistan, however, showed significant potential early on, with the rapid establishment of the AIAF – the Afghan Interim Authority Fund – where the World Bank and the UNDP worked together to provide rapid financing. Further work that looks at the AIAF as a model, and secures financing so that countries with less political importance can similarly receive rapid access to funding, would be welcomed – but has not happened.
40. Initial evidence shows mild improvements but a similar pattern holding in Lebanon – easily the case we examined where the capacity of the national authorities to absorb spending was the highest.

**Fig 3: Provisional Status of Expenditure in Lebanon (2007)**



<sup>9</sup> Needs are taken from the Preliminary Needs Assessment for the years 2002-2004, and exclude humanitarian programming. Commitments were the total committed as of February 2004, but covered the years 2002-2007. Disbursements were the total as of February 2004 excluding humanitarian assistance. Projects Begun was the total disbursed where implementation was reported as starting, and Projects Completed the expenditure on completed projects. All figures sourced from the Afghan Donor Assistance Database and original research.

41. The timeline is but one feature of the un-integrated toolkit. Every bit as important is that planning for activities operates in sector or institutional silos, rather than across them. In the humanitarian sector, the Consolidated Appeals Process, with all of its well-documented limitations, constitutes the main strategy process. Post-conflict development activities are planned separately by the respective agencies, though they share an assessment process (the Post-conflict Needs Assessment process, which usually begins some months after the signing of a peace agreement – in the cases we examined, the gap between signing of the agreement and completion of the PCNA process ranged from a six months to close to well over a year) Peacekeeping missions are planned at headquarters through the Integrated Mission Planning Process, such as it is, but that focuses on the structure of the mission, not on what the mission will do. And there is no planning mechanism that translates the basic milestones of the peace agreement into operational or programming action – even in rough terms.
42. Respondents – practitioners and donors alike – argued that the separation of tools used for recovery was deeply problematic. As noted by a veteran of seven conflict countries, “We all recognize that the tools need to work together to deliver on our goals – but if the tools have separate funding sources and separate accountability lines, where’s the incentive?”
43. To deliver an integrated solution – a state that can manage its own security, handle its own political processes, and answer to the requests of citizens for development – the tools used to support these processes must also be integrated.

## **II.B: The substance of early recovery**

44. Across the studies, we consistently found a lack of attention and investment in sectors that were ‘ripe’ – or ready and suitable for investment – and where early investment might have produced significant later gains. Overall, we found a lack of attention to general issues of livelihoods, and mechanisms for employment and income generation. Although we assert that political settlement and political processes are the foundation for resilience, early economic recovery remains a primary ‘felt’ peace dividend. We look forward to a forthcoming multi-year UNDP report on early economic recovery, which was not available to this project, but that may cover this question in the requisite detail.
45. Specific areas of underinvestment include the below. These were not derived from a pre-existing list of required activities for early recovery – though such lists exist, as discussed below, under strategy/prioritization. Rather, these sectors, or underinvestment in them, were identified inductively from the case research – both from our data gathering and more importantly from interviews with a wide cross-section of donors, agency personnel and in some cases government representatives in the countries referred to.
46. Across all these sectors, arguably, lies the challenge of stimulating economic growth in order to create jobs. It seems a simple question: how? The answers, however, proliferate, are driven by country contexts, but are more often derived from economic research performed on non-conflict economies. The need for a careful assessment of what mechanisms create jobs in countries emerging from conflict, and for identification of the comparative advantages and linkages between public and private investment in job-creation is paramount.

- 46.1. Agriculture: Across almost all cases, the uniform lack of capital, technical, or infrastructural investment in agriculture is surprising. Given that the agricultural sector represents on average 35% of average GDP of countries studied (many believe the figure is closer to 70%), it is alarming that the level of documented investment is only 2.3% of total funding flows. Perhaps as important, there is no evidence of early investment in technical services that could effectively be provided by the state, such as extension programs, that would serve the needs for both economic recovery and outreach of the state.

*Despite being an overwhelmingly rural subsistence economy, less than 3% of donor funding, to date, has gone into agriculture in Timor-Leste. This, despite official World Bank figures placing agriculture as high as 43% of GDP in 1999 and evidence from informal markets and subsistence farming that suggests a figure closer to 70% of GDP. This gap in investment in agriculture was evident across the board, including in capacity building – where the Ministry of Planning and Finance had 79 international advisers, while the Ministry of Agriculture had only 5 advisers, out of a total of 225 – despite the fact that 80% of Timorese depend on agriculture for their livelihoods*

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- 46.2. Public administration: The level of core investment in creating capacity of the state is also troubling. Across all the cases, there were no examples where civil service training academies had been started within 24 months of a peace agreement. One of the greatest challenges that countries face is a lack of trained civil servants. While the exact size and scope of the civil service may be unclear in the immediate aftermath of a conflict, there is little danger that the number of graduates from a fledgling academy in the first ten years of operation would overwhelm a civil service, and even the loss of certain graduates to the private sector would still represent an increase in overall domestic capacity.

*A prime example comes from Afghanistan. Despite entreaties from the government, and line employees of the multilateral agencies, no serious efforts to invest in a civil service training academy began until 2004, three years after the Bonn Agreement. The Civil Service Training Institute in Afghanistan, constructed with the support of the South Korean International Cooperation Agency (KOICA), was inaugurated in January 2007 – almost six years after the signing of the Bonn Agreements.*

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- 46.3. The need for programs to retain key civil servants, to secure some degree of return on investment through tuition being offered as a contingent loan, for example, and to rapidly increase pay for certain positions was stressed, including notably by interviewees who were responsible for mandating the opposite, but constrained by institutional procedure. Further work on this area is warranted.

- 46.4. Security-sector reform: While the political nature of security-sector work is widely recognized, the need for *increased* and *coordinated* investment in the security sector, and in particular in the police, was stressed. Examples of fragmentation and competition were rife, most notoriously in Afghanistan, where bilateral actors were training police in their own images. Few actors believed that investment levels were adequate both for direct investment in training, equipment, and human capital, and for the multilateral system, particularly in its capacity to manage and lead SSR processes and coordinate other actors. Some questions remain about absorption capacity – but like the civil service, it is clear that in most contexts more well-trained policewomen and men are essential to stability and that the output from current programs is wholly inadequate.

*In the DR Congo, arguments over army structure appeared to be driven by nations' own perceptions of the ideal role of a military, rather than by a Congolese-led process or the mandate of the Congolese constitution. The launch of an SSR process was hobbled by two competing strategies, one (supported by one powerful donor) driven by the Chief of Staff, and a second (supported by another powerful donor) driven by the Defense Minister.*

*Similarly in Timor-Leste, an early funding and planning gap led to the neglect of development of the police and defense forces. Three particular issues typify this: (i) for almost a year, UNTAET delayed taking any decisions on the future of FALINTIL; (ii) of the original CIVPOL deployment no officers were assigned to police development; and (iii) there was little or no consultation in the security-sector design with local stakeholders. This contributed to Timor-Leste's current difficulties with its police and army – and arguably the reversion to conflict.*

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46.4.1. Disarmament, demobilization and reintegration form an important part of early recovery. Although perhaps worthy of a separate and detailed study it is clear that there is no spending on serious reintegration.

46.4.2. Here, OECD-DAC restrictions on what constitutes 'eligible' spending for development represent a serious constraint – one of the more important examples of existing 'business practices' undermining core strategic objectives of the international response.

46.5. Public finance: The need for effective macro-economic stability is well documented. More recent attention has focused on building and launching revenue-generation capacities for the state from an early point. Reform to secure a viable recurrent budget must be launched immediately – as was done in Afghanistan – in order to start to lay the foundations for national investment and national leadership.<sup>10</sup> Reform on the mechanisms of expenditure must accompany revenue generation – but further detailed policy work on this issue would be welcomed.

*In Afghanistan, where the Minister of Finance, Ashraf Ghani, forced attention to revenue generation from both tax and customs and border revenues, between 2002-2006, government expenditure rose 447% overall, compared to a 114% increase over a similar period in the DRC (in Afghanistan, from USD 345 million to USD 1887 million; in DRC from USD 771 million to USD 1888 million). In that same period revenue in Afghanistan rose 437%, as compared to only 88% in the DRC.*

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46.6. Infrastructure: The challenge of 'good enough' development as relates to infrastructure projects was frequently discussed. Respondents highlighted the importance of farm-to-market roads in larger countries, and pointed out that waiting until either citizens or the state had the capacity to conduct maintenance deprives both citizens and the state of necessary revenue to build such a capacity – wealthier farmers can contribute to local maintenance and pay taxes. Many suggested that labor-intensive methods, even if they require road repair every year after rains, are a worthwhile investment, as they put cash into the hands of citizens through the work required for construction and through improved access to markets, and demonstrated a commitment to communities that helped to build

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<sup>10</sup> See Michael Carnahan, "Options for Revenue-Generation in Post-Conflict Environments." Center on International Cooperation (New York, NY: 2007).

resilience – income resilience to shocks, and political resilience through a sense that the state was willing to meet their needs.

46.6.1. It would be logical to suggest that donors should invest in maintenance accounts, and ensure that they guarantee to fund maintenance for a clear (and long) period for every infrastructure project. This would require donors to undertake serious reform.

46.7. Urban planning: A further key area of worrisome under-investment was urban planning. The lack of standing capacity of UN-Habitat was cited as an aggravating factor, but many noted the lack of systematic investment in municipalities in key cities and in capitals for urban planning and urban administration. In the post-conflict moment, large cities tend to see rapid population influxes, but do not receive the funding or the technical planning capacity to cope. Large, sprawling refugee neighborhoods can become pockets of crime, predation, and instability, and threaten the peace.

*In Afghanistan, the rapid influx of returning refugees and IDP's, coupled with continued rural insecurity has led to a large increase in the urban population – from an estimate 500,000 in 2001, to over 3,000,000 in Kabul today. Little effort, and fewer resources have been devoted to urban planning – to ensuring that services such as healthcare and education, and livelihoods opportunities exist for these newly urbanized populations. Only two percent of the urban population has electricity; well over half have no access to sanitation. The Minister for Planning, in 2007, estimated that 70 percent of new construction was illegal settlement, and off-plan. A plan, that is, that was designed in 1970 for a city with a maximum population of 2 million. The Afghan Central Statistics Office estimates that the population will reach 7 million by 2015.*

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46.8. Capital-centric programming: The inability to focus services beyond the urban context actually compounds the lack of investment in urban planning. As cities receive investment, and agriculture does not, the incentive to move to the capital increases. Without pretending to direct people's choices, early recovery investment, particularly in rural and agricultural societies, must extend beyond cities – which it currently does not. The challenge here is that government capacity itself may not extend beyond the capital or major regional hubs.

*A prime example is Nepal, where by the end of the conflict, state services and/or personnel were absent from an estimated 75% of the country outside Kathmandu, despite comparatively strong central government institutions.*

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47. Overarching this sectoral map are two framing questions. Firstly, who is responsible for what? Agricultural sector work is split between partial World Bank investment, some work from FAO and WFP, and sporadic work by other actors. Urban planning appears to technically be the responsibility of UN-Habitat, though in practice is more affected by UNDP, and by the World Bank. Clarity of organization will help to produce accountability – and we urge this later in our recommendations. It is also evident that strong national organization – a Ministry of Agriculture that can direct its international partners – is the most effective solution in the medium term, and short-term efforts must, again, work to build that capacity and thereby increase the return to their investment.

48. Secondly, there is a difficult question as to what is to be 'reconstructed'. Many of these countries were among the poorest in the world prior to their conflicts (Afghanistan, CAR, and Sierra Leone

– where the pre-war national budget was 67% dependent on external aid). There is no simplistic way to diagnose the cause of this – but it is clear that there is a real crisis of globalization and inequity, and that the costs of this inequity may be ungoverned space, and destabilizing, expensive conflicts. Realistic assessments of the economic viability of these states, and of the ways in which they are affected by policies and measures – the Common Agricultural Policy, and U.S. farm subsidies, and GATT/WTO frameworks – coupled with a serious recognition from states that the cost of keeping Sierra Leone poor may no longer be viable would be welcome, but are beyond the scope of this paper.

## II.C: Early recovery: a different type of programming

49. Quite apart from issues of capacity and mechanisms, evidence from case studies and interviews highlighted issues of *approach*. There are at least four dimensions in which early recovery programming needs to differ from traditional developmental programming.
50. The deeply political nature of decisions and activities in the moments after conflict cannot be overstated. Nor can the consequent need for development to be conflict sensitive and shaped by political strategy. Decisions that in normal development contexts have low political costs can in early post-conflict contexts have serious repercussions. Key actors and leaders in recovery must be trained and equipped to recognize the political nature of their development decisions, and to react accordingly. Nevertheless,

50.1. Capacity building programs need to be willing/able to take risks to build national capacity absent clear national direction. In the early recovery period, where government is not organized to articulate priorities except at the broadest level, it is possible to identify key steps that must be taken to facilitate government leadership and support local capacity and ownership. These include core constitutional and political processes, such as the *loya jirga* in Afghanistan, but also investments in policy planning units, donor tracking and coordination mechanisms, and core administrative infrastructure. Secondary activities may include human capital investments, such as health-worker and education-worker training, which caretaker governance arrangements can legitimately support. Paralysis in waiting for government to have the capacity to lead these processes delays the point where the government can do so.

*An example is Somalia. In the absence of a government, except in a partial sense in the safe and operable areas of Somaliland and Puntland, there have been few efforts to train civil servants, and to train doctors and teachers – foundational skills of which any Somali state will have great need.*

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50.2. ‘Good enough development’ is a necessary ingredient. The objectives of early recovery programming are to establish peace, secure stability, and restore state capacity – i.e., to create the conditions for sustainable development. Given (a) the ideal of fluid and flexible programming, (b) lack of counterpart capacity and ownership, and (c) these objectives, programming that focused on these objectives, more than long-term questions of sustainability is required. In practice, this means a willingness to spend money to buy peace, to ensure delivery, to secure the peace dividend – in ways that might not be ideal in the long term, but that serve the important short term goal of stability.

*An example from SSR in the DR Congo is instructive here – both in the opportunities and the challenges. Significant investment was made to construct a long-term sustainable iris-scanning system to pay soldiers, thereby to stop the current pattern of corruption, where senior officers and commanders simply took the salaries of their soldiers, payrolls were falsified, etc. Early reports suggest that this system has already failed. More worryingly, while this system has been constructed, commanders have cemented their relationships with their soldiers, increased their wealth and power through continued corruption, and fortified their control over natural resources. A less ideal, short-term system - perhaps one that leveraged the UN presence to pay soldiers – could have helped to provide the Kabila government with the political space to restructure the army, and prevented the entrenchment of these elements.*

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- 50.3. Programming needs to be more fluid and flexible. Reality must drive programming, supported by assessment, strategy, and planning. This requires adaptability to shifting political climates, shifting institutional capacities (as leadership, for example, evolves and changes) and underlying political, social and economic realities. Innovate methodologies to deliver services and secure a peace dividend will be required in post-conflict contexts – as issues of state capacity and political paralysis may challenge the ability to move rapidly, and recover, early.

*In Lebanon, the political stalemate from November 2006 onwards constrained the central government's ability to lead recovery, with line ministries effectively non-functional. As a result – and in an example of good practice – international efforts to early recovery were redirected through municipalities.*

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- 50.4. Early recovery programming cannot pretend to development levels of risk management. There has long been acceptance of higher levels of risk in the humanitarian sphere –this does not mean an absence of fiscal standards. Donors need to extend this across the sphere of early recovery – allowing funding to move from activity to activity, and change its objectives and its outputs – trusting in the system that they have tasked with supporting the emergence of a stable state. Relatedly, donors need to be willing to sacrifice the donor flag to strategy and be willing to support multi-lateral, and other donor investments to ensure success. Finally, investment in the underlying business processes of early recovery actors is essential to ensure audit standard compliance.

*A good example from Rwanda: In the early days after the genocide there, UNICEF took a very flexible approach to supporting recovery, making block grants of US\$40,000 available to government ministries for essential repairs and supplies. These grants were disbursed quickly, with minimum accountability requirements. They allowed ministries to feel empowered and able to make basic improvements and repairs, to re-establish their functionality. While not a traditional UNICEF partner, the Ministry of Defence requested one of the UNICEF grants. Instead of shying away from such a partnership (which might have been the knee-jerk reaction), UNICEF used this grant as an entry point for dialogue with the Ministry of Defence on the issue of child soldiers.*

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51. The recognition of these dimensions extends across donors and multilateral institutions, practitioners and policy makers. The practice, however, does not reflect this recognition. New efforts are underway to make incremental improvement to the system. Whether these efforts will address the underlying strategy question is a subject of considerable debate.

52. Reflecting these tensions, much criticism from practitioners was attached to the dominance of the Millennium Development Goals (MGD) and the poverty reduction paradigm in the early recovery sphere, and many argued that these were inappropriate objectives for early recovery. Although some noted that statements pertaining to the MDG/poverty reduction paradigm were just lip-services required to access funding, but there is a clear feeling that the costs of this pretense may be serious.

*In South Sudan, the Joint Assessment Mission was structured around the Millennium Development Goals. As a result, so was the ensuing Multi-Donor Trust Fund. The January 2008 proposal for the establishment of a South Sudan Recovery Fund – drafted three years after the signing of the Comprehensive Peace Agreement -- states that “it is nonetheless a fact that [early recovery priorities] have suffered to some extent from continued underinvestment, compared to the more familiar categories of humanitarian relief and long-term development...[not] as a result of deliberate acts by a disinterested international community, but rather by default.”*

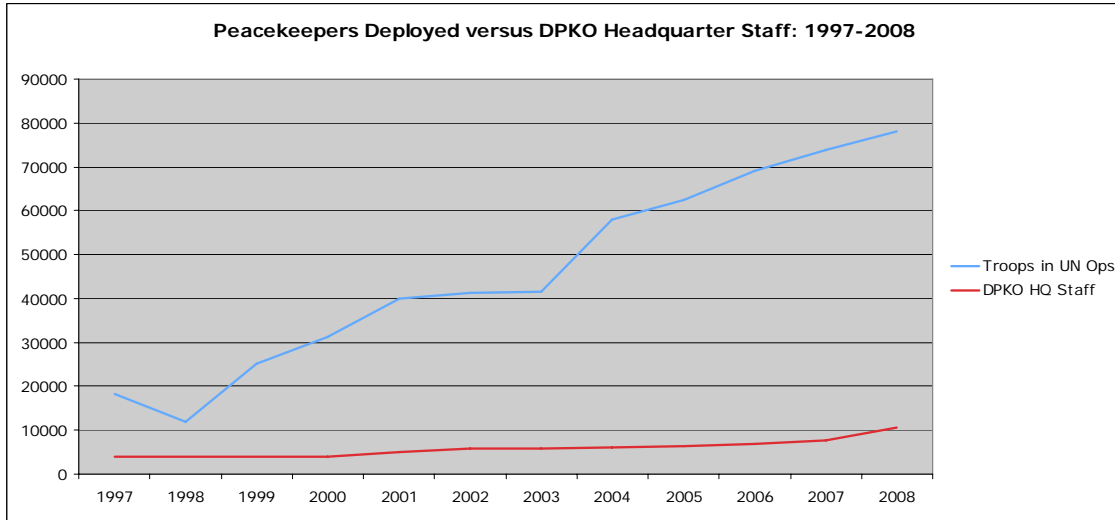
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53. Rather, a different goal is needed. The goal of the overall effort is the development of a state that is able to manage its political process and build a social contract with civil society and the citizenry; that can sustain its own security; and can respond to its people’s demand for development, both through the provision of services and public goods, and through creating a framework for economic growth, and meeting its international obligations, such as human rights and non-proliferation. **The goal of early recovery is to create a solid platform for this effort: enough government capacity to carry that process forward; enough momentum on the political process and enough activity on the economic front to sustain confidence at both elite and popular levels in the viability of the political alternative to war.**

## **II.D: Ongoing reform - the ladder of unfilled expectations**

54. In examining the cases (and in recent adjacent work on the PBC/PBSO and recent evaluations of the humanitarian system), there was substantial evidence of the fact that the system itself has on several occasions attempted to develop solutions to ‘the gap’ and related shortcomings of the international response – detailed in Annexes. Over the past five to ten years, several **reforms** in mechanisms have taken place that warrant brief mention (and are detailed further in Annexes.) These include:
- The now standard use of the ‘integrated mission’ structure to link the political/security action of peacekeeping operations with the development/humanitarian action of the UN Country Team;
  - Deepening UN-World Bank linkages in the Post-Conflict Needs Assessment (PCNA) process;
  - The use of Multi-donor Trust Funds (MDTF) to pool national funds in recovery contexts;
  - Strengthening of the humanitarian coordination mechanisms, through Common Funds (piloted in Sudan and the D.R. Congo, so largely positive effect); the ‘cluster’ approach to building predictable capacity in specific sectors among agencies; and the expansion in 2005/6 of the Central Emergency Revolving Fund (CERF);
  - Establishment of the Conflict Prevention and Recovery Thematic Trust Fund and ‘Surge’ mechanisms at UNDP’s Bureau for Conflict Prevention and Recovery (BCPR).

55. Too recent to be assessed but also warranting mention is the recent decision by the World Bank to upgrade their commitment to post-conflict contexts, including by establishing a new Trust Fund under the re-organized Post-Conflict and Fragile States Unit (formerly the LICUS and the Post-Conflict Unit.) Also potentially relevant, though not tested in post-conflict settings, is the ‘One UN’ model being piloted to test recommendations of the High-level Panel on System Coherence.
56. It would be quite wrong to say that these reforms have not improved the nature of the response. Evaluations of the use of common funds in the DRC and Sudan, for example, point to substantial benefits from that model that could usefully be broadened. The integrated mission structure has proved its worth in such places as the DRC and Sierra Leone, notwithstanding continued problems of proper funding to key posts within that structure (see below.) The leadership exhibited by the respective heads of the World Bank LICUS Unit (as it was at the time), the UN Development Group Office and the UNDP Bureau for Conflict Prevention and Recovery (BCPR) in deepening their collaboration through the PCNA process has been noteworthy.
57. Nevertheless, that we are writing this report is evidence enough that this reform process has not been perceived to have adequately addressed the needs. So much is self-evident when we examine the system’s performance in Sudan, Lebanon, Afghanistan, and Timor-Leste, as we do above. More evidence of progress is found in Somalia, Liberia, Sierra Leone, and Haiti. What accounts for this discrepancy?
58. Much of the report is devoted to unpacking the specifics of what is and isn’t working in early recovery. But a more general point is warranted: that for almost a decade now, progress reform has been met by expanding demand, resulting in a ladder of unfulfilled expectations. To put this more concretely, just as UN and World Bank systems were making progress towards an ability to handle cases like Liberia, Burundi, Sierra Leone, and Haiti, and struggling to handle the D.R. Congo, these same systems were handed new – and far larger and more difficult – challenges in Afghanistan, Sudan, and Lebanon. Systems that had improved were once again over-extended.
59. One measure of this overextension – admittedly a crude one – comes from peacekeeping, which has seen exponential growth in demand with far more modest growth in management capacity. (In the chart below chart, the number of DPKO HQ staff was multiplied by 10 so that the trend line is visible. The actual numbers start at 430 and end at 1073, authorized not actual.) Attempts were made to locate similar charts for the development organizations, comparing funding pledges with staffing, but comparable data is difficult to obtain.



Source: DPKO; and CIC Annual Review of Global Peace Operations

60. All of this was part of the backdrop to the establishment in 2005 of the **Peacebuilding Commission**, Peacebuilding Support Office (PBSO) and Peacebuilding Fund (PBF) at the UN in late 2005. A CIC/IPI strategic assessment of progress after 18 months found that the PBC/PBSO had begun to fulfill two important functions relevant to this discussion: providing a framework for linking the political/security efforts of the UN with the financial/economic efforts of the international financial institutions and the donors; and sustaining medium term attention to post-conflict cases. It found that as yet the PBC has had less impact on coordination and coherence of the overall response, and has as yet had no impact on the early mobilization of resources for and attention to state-building. That the establishment of the PBC/PBSO/PBF mechanisms has not *yet* helped fill this gap does not mean that they may not yet prove highly relevant to these issues – a point addressed in our recommendations.

## Section III: The gaps – and their context

61. All these reforms being in place, there remain three primary gaps in early recovery response – **a strategic gap, a capacity gap, and a funding gap**. Each has several dimensions, discussed below.
62. Each of these gaps also operates within the context of what we have described as a **‘peace process gap’** – though the terminology ‘gap’ makes it sound like that is a gap that can be filled with international action, whereas some elements of that gap at least are endemic to the nature of peace processes in civil wars. They cannot be filled just by investments in international action, but they can to some extent be ameliorated.
63. The level of technical support to peace processes is often low. As a result, the demands and results of a peace agreement may not be implementable fiscally or physically, the structures and timetables mandated from a peace process may be highly technically complex, and therefore unachievable.

*A frequently cited example arose from Sudan, where the peace agreements and needs assessment together mandated the creation of over 250 commissions and councils – all to be implemented under the aegis of a new Vice President with next to no human or financial resources. There was no prioritization, or recognition of the scale of this task, and therefore no rapid mobilization of resources to support this.*

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64. The lack of technical support links directly to a lack of implementation planning. At the time that the Comprehensive Peace Agreement was signed in Sudan, it appears that almost none of the initiatives included in the agreement had been costed and no steps had been taken to deploy even planning capacity to ensure execution.
65. Lack of technical support is compounded by a lack of rapidly available financing. The UN’s political mechanisms have limited pre-committed spending authority, and both the structures of UN Secretariat spending and the limits on UN assessed budgets for peace operations constrain the mission’s ability to ensure rapid spending against key peace process priorities.

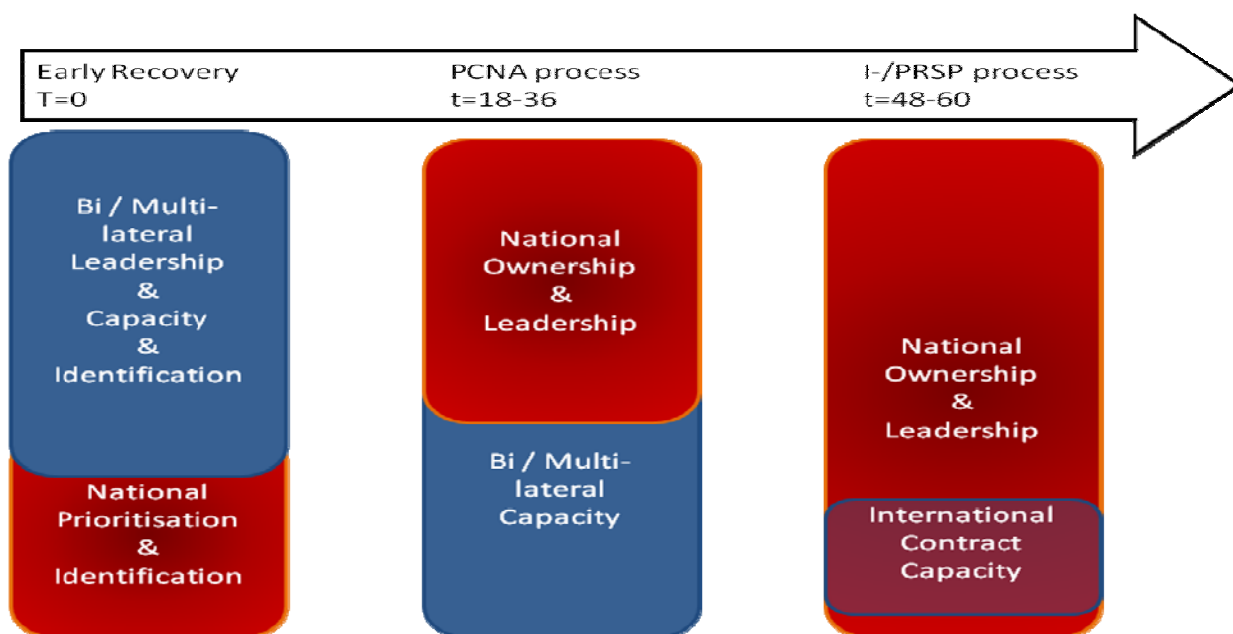
*A vivid illustration of this was in Nepal. The establishment of the UN Mission in Nepal as a special political mission (a specific UN budgetary/authority designation) gave it sharply limited pre-committed spending authority. The mission was therefore unable to generate rapid spending against a critical process for the implementation of the ceasefire agreement, namely the establishment of cantonment camps for combatants. In the end, bilateral donors (Norway and the UK) provided the necessary funds – but there was no predictability to this.*

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### III.A: National capacity gaps – strategy, execution and politics

66. Both the ‘peace process gap’ and the three principal gaps with which we are concerned herein – the strategic gap, the capacity gap, and the funding gap – are set against the backdrop of a national political context. This may or may not be characterized by a national capacity gap, but is almost certain to be characterized by a variety of constraints on national capacity for action. This gap, of course, is subject of the others – filling the national gap, or amplifying the national capacity to act, is (or should be) the primary focus of early recovery efforts.

67. The national political context means, first, that development activities must be viewed through the prism of their impact on the process of building state legitimacy, as well as state capacity. To use the short-hand of the development community, it must be ‘conflict-sensitive’. To be more precise, development assistance in this period needs to support a political strategy for implementation of a peace agreement or consolidation of the peace – a strategy (ideally) led by the UN SRSG.
68. Second, the level of national capacity affects the planning and management process, the typology of projects that can be executed, and delivery. At the planning level, weak counterpart capacity – which is more often than not the case – forces a lack of ownership that creates the risks that (a) programs are not directly responsive to needs and (b) backlash may ensue against international actors if the pace or means of delivery is problematic, or for political reasons. It is clear that investment in national capacity is a prime component of many development programs. It is less clear that adequate attention is paid to counterpart capacity in the early stages. The theory behind the transition from early recovery through to late recovery (say, the phase when a normal Poverty Reduction Strategy Process is put into motion) looks something like the diagram below.



69. The process to move from the early-recovery phase – where international capacity and leadership plays a leading role – to, for example, a PCNA process, which is longer and, in theory, more participatory and nationally led, would involve a substantial and focused investment in building the specific capacities required, such as an understanding of international development tools and architectures, funding mechanisms, and fiscal accountability procedures. **There is no evidence that international assistance has supported the development of such capacity in the careful and deliberate manner required.**
70. The result of this is a lack of ownership of longer-term development processes in post-conflict countries, even six or ten years after the cessation of hostilities.

71. There is an additional dimension in terms of national execution. Program managers and program reports often identify a lack of contracting capacity as a major source of delays in operations. At the same time, there are few, if any, cases of formal programming that trains national actors in forming contracting companies and bidding for projects, and that provides the necessary project management and oversight support.

*One Ambassador in a case we examined described his frustration with continued spending on international consultants who had no plans to build national capacity to replace themselves – at one stage insisting that he would only fund an external consultant if he could fund a second one whose sole function would be to train national replacements.*

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72. It is evident that building such national capacity has a significant multiplier effect – if more funds are expended through local actors, rather than international contractors, there is a greater economic boost, as has been documented elsewhere.<sup>11</sup> It is also evident that this capacity is necessary to enable absorption of the larger quantities of development funding that are supposed to accompany the transition to ‘normal’ recovery. Again, though, as an example, there is no clear evidence, beyond isolated cases in Afghanistan, of investment in building contractor capacity in the earliest phases of recovery.
73. Across the cases, the evidence suggests that domestic political paralysis remains perhaps the greatest risk to the process of recovery. The willingness to halt development for political objective as much as for issues of real national interest is a major problem in post-conflict countries where peace is fragile.
74. When national authorities have interests in doing so, they can block some of the instruments that have the potential to facilitate the kind of integrated strategic planning we explore below.

*An example was Nepal, where the UN debated the merits of establishing an integrated mission to support implementation of the peace agreement signed in 2006, given the links between development and security in the context of Nepal’s transition. The debate highlighted the point that it is integration of strategy that is the objective, and integration of machinery just a tool towards that objectives. But in the end, Nepalese concern that an integrated mission implied a long-term presence prevailed in the decision for a lighter special political mission that had a sharply limited mandate, short time frame, and into which the UN Resident Coordinator was not formally integrated.*

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75. The answer to this, however, cannot be for the international community to shirk its responsibilities. Placing the political process front and center – as we have argued here and elsewhere<sup>12</sup> – is a prerequisite to effective statebuilding.
76. **A shared strategy that recognizes these risks, places resources at the disposal of political actors, particularly SRSG’s, and identifies the opportunities to invest in state capacity absent this agreement is, similarly, a requisite of effective action.**

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<sup>11</sup> *The Economic Impacts of Peacekeeping*. (United Nations/Peace Dividend Trust, 2005)

<sup>12</sup> See Jones and Chandran, *From Fragility...*(OECD: 2008)

### III.B: The strategic gap

77. We differentiate the ‘strategic’ gap from a simple ‘strategy’ gap because it encompasses issues of assessment and strategic planning. There are also questions of capacity for strategic planning – these we address below, under the ‘capacity’ gap.
78. The primary manifestations of the strategic gap are visible in three dimensions:
  - The disunity among actors, with bilateral and multilateral actors presenting competing objectives and often contradictory priorities, including within the UN family of actors.
  - The lack of integration between political, security, and development tools (and humanitarian ones, which often partially implement recovery activities), and the absence of frameworks for prioritization.
  - The lack of dynamic strategy, where programmes and policies react in near real-time to changes in events and conditions.

*Afghanistan provides a depressing example. At the very outset, Italy and the United States competed openly for control over the justice system; the security tools armed warlords as the development tools tried to launch disarmament, and there is still open disagreement over how to pursue counter-narcotics policy.*

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#### III.B.i. A definition and a model

79. In the terrain of early recovery, we found no consistently effective early recovery strategies in operation. We define an effective strategy as one able to (i) provide a framework that guides interventions by all relevant actors – here, at a minimum, the peacekeeping/political operation, the key UN development and humanitarian agencies, the Bretton Woods institutions, and the main bilateral donors; and (ii) provide a framework for selecting between competing priorities.
80. A clear model for how such a strategy would operate has emerged from several years of thinking on early recovery – from both bilateral efforts, such as the Office of the Coordinator for Stabilization and Reconstruction at the Department of State and the Stabilization Unit (formerly the Post-Conflict Reconstruction Unit) at DFID.
81. The model outlines three layers that mark the bridge from planning to execution – and it widely reflects standard theory, drawing both on military and civilian planning worlds. When tested against audiences, there was recognition both of the validity of the model, and of the need for filling in gaps across the model:
  - 81.1. The first layer is system interoperable strategy. In order to determine how to respond to early recovery needs, the system (the international community) needs to be able to determine which of the tools in its toolbox it needs to deploy. In order to do this, it needs to have access to a basic assessment framework – a set of tools to determine what needs are.
  - 81.2. The second layer is field-level dynamic planning. Once an overarching strategy is in place, that strategy needs to continually evolve to reflect dynamic conditions in the country – whether political, social, or economic.
  - 81.3. The third layer is execution. It may be very well to have a strategy and to have a dynamic planning capacity, but if this is not backed up by execution capacity, it is meaningless.

### III.B.ii. The reality

82. At present, as noted previously, separate strategy processes guide the different dimensions of recovery action, as if they were responding to separate problems – CAPs for humanitarians, PCNAs and related tools for development actors, IMPP processes for the planning of the peacekeeping mission, but not its action; and others. No process links these elements of action into a comprehensive strategy.
83. It is worth noting here that there is one structure – the UN integrated mission model, which has the UN’s Resident/Humanitarian Coordinator serving as Deputy to the SRSG – which provides a basis for this kind of linked strategy. But our analysis of cases showed that the SRSG/Deputy SRSG structure typically has recourse neither to an established methodology, personnel, training, or funds through which to pursue this kind of integrated strategy. The integration of *structure* has not yet led consistently to the integration of *strategy*.

*One recent example where SRSG/Deputy SRSG teams have attempted to operate the kind of multi-sectoral planning process that links development and political action is in the D.R. Congo, where the leadership of the UN mission has steered what is known as the Country Assistance Framework. Key to the partial success to date of the Country Assistance Framework is that it was able to ensure, by virtue of incorporating the donors and agencies into a common planning framework, that the emergent strategy actually drove funding. Many have reinforced the view that strategic planning that does not incorporate the major funders is of limited to no value.*

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84. This Framework is similar in structure to an earlier initiative in Afghanistan, the Strategic Framework for Afghanistan, which was put in place during the Taleban era (in 1997). It is also similar to the strategy mechanisms put in place in the Palestinian Territory shortly after the conclusion of the Oslo Peace Accord (in 1993.) The long gaps between the replication of these experiments, and the fact that they are not yet in common use, highlights a critical capacity problem – the absence of a locus for lessons learned on recovery strategy.
85. The recent establishment of the Peacebuilding Support Office might be an answer to this problem. Indeed, the closest thing that we have seen to the outlines of an appropriate strategy tool is the Integrated Peacebuilding Strategy document piloted by the Peacebuilding Commission in Burundi and Sierra Leone. Those processes were unwieldy, and would need considerable refinement for use in early recovery contexts, but provide an important starting point. If linked effectively to an early needs assessment process, they could provide an important framework – as highlighted in a recent World Bank submission to the UN’s Inter-Agency Standing Committee, which comes close to outlining many of the main elements of what would be needed to solve the strategy gap, in terms of process.

### III.B.iii. Assessment and evaluation

86. An precursor to effective strategy is **assessment**. Assessment of socio-economic needs is undertaken through the PCNA process – and if this were done early and in a ‘light’ manner would serve a highly useful purpose. But assessment must also cover national capacity for action – i.e. it must assess ‘the state of the state’. The rapid, but detailed, assessments of state capacity in transition conducted by the Institute for State Effectiveness in Haiti, Nepal, and Lebanon constitute exemplars of the kind of assessment required.

87. This suggests that a clear priority of any deployment into a post-conflict context is the rapid gathering of detailed information about the society, its social, economic and political structures, and their operations. This is a combination of anthropology, sociology, and history – linked to economics and institutional analysis – and requires a brew of skills which the international system does not currently possess or prioritize. As with the general idea of strategy, this process also needs to be dynamic.
88. There is also a need for ongoing **evaluation** as an integral and funded part of this process. The fiscal and human resources cost of making the same mistakes in country after country because of a lack of investment in best practices and key lessons is far greater than the cost of evaluation. Practitioners who had multi-year, multi-emergency experience commented on the lack of availability of their own project and program documents from other countries, let alone a centralized resource where best-practice queries might be directed.

#### **III.B.iv. Prioritization**

89. The most complex challenge in the strategic process may be **prioritization**.
90. Needs are country specific and context specific, and the demands of the peace process will be as well. This does not mean, however, that a framework for early recovery cannot guide a process of identifying core needs. Many such frameworks exist. The most comprehensive is that developed by the State Coordinator for Stabilization and Recovery (SCRC), but similarly high-quality frameworks have been developed by the Center for Strategic and International Studies and by CIC.
91. This are lists, not guides to prioritization. Efforts to develop a standardized framework for prioritization will be futile. The general statement is this: if national capacity and the peace process are the two over-arching frameworks under which early recovery takes place, it follows that priority in recovery must be given to (a) efforts to build national capacity to self-manage recovery, both in political and developmental terms, and (b) efforts to reinforce support for the peace process, both among key elites and key constituencies. There is no greater retardant to the process of laying a foundation of socio-economic or political development than the restart of conflict.
92. And it should be clear, after a decade and more of experimentation in this terrain: it is a myth to imagine that there is prioritization without authority. Coordination processes for prioritization result in shopping lists, not strategic lists. Unless and until the strategic coordination mechanism for any given recovery context has the actual authority to shape priorities, they will at best be lose, at worst non existent.
93. Thus, using a modified version of Integrated Peacebuilding Strategy, linked to a plan for implementation of the peace agreement and an assessment of the state of the state, would provide a basis for decision-making with authority about prioritization.
94. Beyond this, prioritization, of course, is context-driven. Where Lebanon required attention to rebuilding infrastructure to restore livelihoods, Afghanistan required more focus on the security sector, Sierra Leone on youth employment and disarmament, and the DRC on securing control of natural resources. All of these sectors interact, of course, and it is only through a deep understanding of context that prioritization is possible. This is part of why national leadership remains essential – national actors can define their needs, and response mechanisms better than

any other. As Brahimi and Ahmed have argued, among others, lack of **local knowledge** is a critical ‘sin’ in efforts to implement peace agreements or otherwise foster recovery from conflict.<sup>13</sup>

95. In short, prioritization must come in major part through judgment, exercised in the first instance by those most capable – in theory – of linking political and development action: the SRSG and Deputy SRSG and their respective capacities (or RCs, where there is no political lead). SRSGs have resources to draw on to reinforce their judgments about prioritization – notably, the Secretary-General and, perhaps, the Peacebuilding Commission.
96. But here, the evidence – of course – found that those capacities were frequently wanting. Absurdly, in integrated mission structures, the UN’s budget mechanism (the ACABQ and Fifth Committee) have routinely been reluctant to provide funds for senior level staffing in the Office of the Deputy SRSG, where much of the planning process nominally would reside, arguing that because DSRSGs are also Resident Coordinators, staffing them should be done through UNDP’s budget. UNDP’s budget process had – of course – reached precisely the opposite conclusion. A more damning example of the ‘penny wise, pound foolish’ outcomes of a system with divided and disbursed governance and accountability mechanisms is hard to imagine.
97. Thus, it was stressed by many of our interlocutors that changes in strategy needed to be matched by changes in capacity. To be strategic about early recovery, the right people need to be in place to exercise leadership and deliver on coordination and planning, **and** the systems need to be in place to authorize coordination and planning, and drive funding and execution capacity to deliver on strategy. In 2000, Secretary-General Annan highlighted the need for effective strategy in his report ‘No Exit without Strategy’. We would add: “And no strategy without capacity.”

*An example from SSR in the DR Congo is instructive here – both in the opportunities and the challenges. Significant investment was made to construct a long-term sustainable iris-scanning system to pay soldiers, and stop the current pattern of corruption, where senior officers and commanders simply took the salaries of their soldiers, payrolls were falsified, etc. Early reports suggest that this system has already failed. Perhaps more worryingly, while this system has been constructed, commanders have cemented their relationships with their soldiers, increased their wealth and power through continued corruption, and fortified their control over natural resources. Perhaps an alternative system – not sustainable in the long-term – that leveraged the UN presence to pay soldiers could have helped to provide the Kabila government with the political space to restructure the army, and prevented the entrenchment of these elements? It is certainly arguable.*

### III.C: The capacity gap

98. The gap in strategy is compounded by the effects of systematic under-investment in the global mechanisms for response, even as the scale of demands placed on these institutions has soared. In particular, we see this gap playing across two core dimensions:
  - 98.1. **There is a broad lack of rapidly deployable capacity in institutions.** This includes capacity for **leadership, planning and coordination**, and **capacity for execution** – including, for example, both the more glamorous and well-recognized need for more rule-of-law personnel, and the less glamorous but equally important need for rapidly deployable project managers, procurement officers, and financial personnel.

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<sup>13</sup> Brahimi and Ahmed, “Seven Deadly Sins.” in *Annual Review of Global Peace Operations 2007*.

**98.2. The business processes of institutions are inadequate for the task at hand.** The funding regulations, accountability requirements, and, in particular, human resources processes at DPKO, UNDP/BCPR, and the World Bank hinder rather than enhance response efforts.

99. The gap in civilian capacity can be broken down across the process for execution outlined above. There is a gap in capacity for strategic work – for leadership, planning, and cooperation – and in the execution layer.
100. These gaps exist across the three core types of actors in play – the multilateral actors, the bilateral actors, and, perhaps most important, national authorities. We address these in turn.

### **III.C.i. Multilateral capacity gaps: strategy and leadership**

101. There is a clear assumption in discussions that responsibility for coordination and strategy belongs, ultimately, in the multilateral system.
102. At the strategic level, in a few select cases, powerful S/ES/DSRSG's have been able to drive a degree of coordination across the system, but have lacked the institutional support required to maintain and execute at that level of coordination. The struggles to secure posts and funding for a functional Integrated Office in MONUC are characteristic of this.
103. In other cases, even where mandates to coordinate were present, weaker individuals or teams were unable to execute as effectively. Examples of blended situations – where a few individuals are trying to lead and coordinate, but lack the necessary support staff and authority – are perhaps more commonplace.
104. It is therefore evident that capacity for strategy is not just a matter of appropriate senior leadership, but also of mid-level staff capable of leading planning processes and divorcing planning from execution.
105. The practice of agency secondment into missions to lead the coordination process has been frequently identified as counterproductive, due to issues of conflicting loyalties, although given the absence of staff in general, any open-minded individual was generally welcomed. Mission staff, particularly military planning process staff (J-5 and others), were often perceived as more desirable, and seen as aiming to deliver on the planning process, rather than seeking a specific outcome.
106. To this end, many discussants floated the idea of establishing standing teams of strategic planners, who were capable of rapid deployment, coordination of assessment and planning processes, and strong leadership that had moral and formal authority to coordinate actors.
107. Many also noted that the RC system is not set up to identify leaders who have the skill set for early recovery, but rather looks at the more traditional set of development skills. Simultaneously, and equally noted was the incredible challenge of the triple-hatted function now frequently given to RCs in post-conflict contexts – as deputy SRSGs, resident coordinators, and humanitarian coordinators. The position of designated official for security (sometimes called the fourth hat) also adds burdens in an insecure world. There is a clear need to reinvestigate the pros and cons of multi-hating – and a sufficient number of incumbents with adequate experience to inform an honest, external evaluation of this issue.

108. The evidence opens questions as to whether the responsibility for early recovery coordination should rest with the RC, or elsewhere. Given the partial objective of accelerating the pace of development spending in early stages, and the importance of building public administrative capacity, it would be useful to see the World Bank engaged with this process in a formal manner – and the idea of a World Bank official as an DSRS, with the RC role of UN system coordination seen as separate but closely connected was discussed frequently. Absent support structures, authority and personnel, however, the job of delivering strategy is impossible and it maybe a simple matter of where resources can be placed that determine where responsibility should lie. We know of one example (UNSCO) where the deputy SRS position was supported by a director for UN coordination (an RC, on loan to the mission) – a model worth exploring further.
109. This issue also reflects the continued propensity of the UN system to conflate strategic coordination with interagency coordination. Strategic coordination links political, security, and developmental processes across key actors – multilateral, bilateral, government. Inter-agency coordination is a subsidiary function of implementation of strategy. Conflation of these two functions is not necessarily productive.
110. Strengthening SRS and RC/HC/DSRS selection, management, support, and training has, however, been a priority for a number of years. This effort continues to be a work in progress, with mixed success, and further attention and investment are required. Clarity on the roles and responsibilities, mechanisms for integrating the World Bank (and Regional Development Banks) and a serious and honest understanding of the roles, strengths and weaknesses of UN agencies should form the basis of these decisions.

### III.C.ii. Multilateral and bilateral capacity gaps: execution

111. The gap in capacity for execution cuts across bilateral and multilateral entities and exists on four levels. Firstly, there is the well documented gap in appropriate and deployable technical expertise. Key identified areas included public administration, agriculture, rule of law, security-sector reform, and effective capacity building. Secondly, there is a gap in administrative and financial staff required to attract funding and secure fiduciary compliance. Third, there is a core absence in project management skills.
112. Finally, there is a **lack of capacity that is trained in early recovery methodologies**. As we have stressed before, early recovery involves implementing activities differently – with agility in terms of outputs, partners, accountability, and recognition of political realities. Absent the necessary sensitization to these issues, access to expertise to assist, and the authority to act differently, line project staff will not be flexible.
113. Two notable caveats were raised in discussions. A few respondents noted that the provision of senior technical experts can run contrary to the objective of capacity building, if the gap between the international expert and the counterpart is too broad. A focus on facilitation and mediation skills, with a foundation in the relevant technical expertise, was suggested to be more useful in many cases. Many respondents also noted that international and NGO entities alike were short in the effective project management skills required to handle large, rapid, and rapidly mutating projects in a difficult early recovery environment, and did not share project management methodologies. Standardization of platforms across the multilateral system (UN agencies, at a minimum) could provide significant benefit.

114. Given the need for fast response in early recovery, often in very difficult environments, logically the initial response will need to be delivered by those already present in country. This argues that the initial assessment and plan for early recovery should be based on existing delivery capacity in country, or on known and funded programs for increasing that capacity. Even though the UN is present before, during, and after a crisis, all agencies are not present; some are only in the capitals or major centers, and often even those that should have a key role in early recovery (e.g., UNDP/BCPR) are not well represented on the ground.
115. This does not obviate the expressed need for mechanisms to increase the ability to deliver – through standing or rapidly deployable capacity – but rather recognizes the reality that building such capacity effectively is not a short-term process, but will take many years, as it has in the humanitarian sphere.
116. These conclusions are not only applicable to multilateral actors. It was evident in the efforts to build coherent pictures of donor policy and practice that few donors have effective, long-term, centralized clearing-houses for information, guidance and policy on fragile states issues overall, let alone for early recovery specifically. In many cases, policy, programming and funding are fragmented – and programme funding is increasing, while staffing and policy resources decline.
117. Systemic cuts in funding and staffing have become a reality. One donor characterized the consequences of these cuts as “pushing administrative costs onto the multilaterals,” but noted that “there was no funding for staffing costs to manage correspondingly increased workloads” associated with increased development spends or work in complex environments -- a sentiment widely echoed. There is a general sense, among both donors and agency staff, that a lack of recognition of the need for investment in staffing in parliaments and governing authorities has given rise to a culture that seeks “funding that implements itself.” This is not viable in normal contexts; it is even less viable in early recovery contexts where the management, security and supervision costs of implementation escalate.
118. There is also a lack of internal capacity that is deployed in country to engage with other actors, monitor and manage portfolios, and to facilitate dynamic response to changed circumstances – e.g., authorize a different use of funds, or movement of funds between projects when implementation is prevented for security or other legitimate reasons. This typifies the way in which these gaps are inextricably linked – should a failure to move funds be characterized as a failure of capacity, of funding, or of strategy?

### **III.C.iii. Business processes**

119. We have previously highlighted the existence of a business process gap – better described a series of poor practices. These do not exclusively pertain to post-conflict issues, or even early recovery, but as above, the challenges and difficulties that they create are compounded when faced with the complexity and rapid needs early recovery contexts. We identify here three key areas – but a more exhaustive study, drawing on the experience of DSRSG’s and junior staff – would be able to identify roadblocks beyond these.
120. Human Resources. No known staff members have praised the human resources system of any United Nations entity. It is widely accepted that DPKO (even with the new Department for Field Services) is understaffed, and despite recent improvements in such mechanisms as the Galaxy system, they are unable to cope with overwhelming demand. UNDP/BCPR is considered to be better, but by its own admission has substantial difficulty identifying and deploying consistently

high levels of talent to key posts. The World Bank praises its own system, yet recognizes that it is unable to deploy staff to the field. The overall ability – bilaterally and multilaterally – to identify, employ, and deploy good candidates is low. This applies to donor systems as well, though to a slightly lesser degree. It is compounded in donors by a constant trimming of staff capacity coupled with increases in aid expenditure, which is a recipe for trouble.

121. Human resources challenges are compounded by the lack of a career path, job security, and adequate benefits and incentives for employees. DPKO issues six-month contracts that are rarely promptly renewed, its benefits are significantly lower than the agencies', and there is no potential for medical treatment or counseling after a contract expires for those serving in conflict-affected countries. Stories are rife of disputes over provide death benefits, shoddy security systems, duty stations with inadequate access to water and food, denial of hazard pay amidst riots and death threats – the list is endless. The average age in a peacekeeping mission is 47, but the average experience of a staff member is 0-2 years. As a result, competencies are lower than might be ideal across the entire range of skills required.
122. There is also evidence that the general business processes of execution in early recovery, like the planning processes, are not fit for purpose. Issues raised numerous times – and widely recognized beyond the early recovery field – focused primarily on human resources and funding problems, but also noted the following two areas:
123. Procurement: A lack of simple, effective, and cross-agency standardized procurement processes. This deficit is exacerbated by a centralized and cumbersome process that tends to internationalize contracting, reducing the ability to positively impact the local economy.
124. Interagency systems and processes: Agencies seeking to operate together lack standing agreements that govern the interaction, and therefore have to recreate the wheel in every country. Incompatible technology platforms – e-mail can take a day to travel from a UNDP computer to a PKO computer sitting next to it – planning and budget cycles, and a lack of authority all serve to slow response, add transaction costs, and frustrate actors. In fairness, the system is attempting to cope with this problem, and DRSGs, in particular, constantly draw attention to this process. The lack of substantive follow-up as pertains to early recovery and high priority cases, from the High-level Panel on System-wide Coherence which flagged these issues is discouraging, though a few respondents held out hope that the One UN pilots and other mechanisms might provide tangible benefits in the near future. The HLP does not address issues within the Secretariat, however, and DPKO and DPA are core entities in the early recovery moment.

### **III.D: The funding gap**

125. Linked to gaps in strategy and capacity is a funding gap. This gap, however, is not in the form of an absence of overall funding, but rather in the types of funding available.
126. **There is a gap in funding for standing capacity and for strategic planning** – without which deployment of assessment tools and creation of a coordinated strategy are impossible. Standing capacity also allows for skills and leadership development, which are urgently needed. The example for this, sadly, is in every country. As noted throughout, there are no cases in which a coordinated strategy exists, or a framework for prioritization. The potentially positive CAF

process in the DR Congo arose after years of fighting for staff positions to support such a process by the DSRSG.

127. **There is a gap in funding for political implementation** – without which SRSGs are left scrambling for resources to implement core political priorities.

*An example of the need for political spending comes from the DR Congo. Firstly, in the aftermath of a political/humanitarian crisis in Goma, there was a need to implement a strategy to create stability (the United Nations security and stabilization support strategy – UNSSS). In order to secure funds for this strategy, however, a significant amount of senior leadership time and attention had to be diverted to fundraising, with no ‘start-up’ funds, and no resource slack available to the mission to do this. Diversion of senior leadership time always carries costs. Secondly, the so-called ‘Amani superstructure’, for implementation of this strategy, required UN staff to either chair, or shadow organs and sub-organs. Staff were not available, posts did not exist, and the process for the SRSG to secure new posts is slow and inflexible.*

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128. **There is a gap in funding that is realistic, flexible, and responsive** – donors tend to fund projects and demand a level of accountability and scrutiny that is not practicable in the immediate aftermath of conflict, and that cannot move easily between programs as the implementation context changes. In Afghanistan, a frequently volatile security situation has left large pots of money idle. Once allocated to a region, or a project, donors have not allowed project staff to simply re-allocate these funds to areas that need it, forcing a long, labor-intensive cycle of new requests for new projects that continue to ensure that there is little immediate peace dividend seen by struggling populations.
129. **There is a gap in the ability to spend development money early.** The building of key roads and of civil-service, teacher, and health-worker training facilities could and should start earlier in recovery than they do; in order to do this, a strategy to prioritize and the capacity to execute must be matched with the size and scope of funding necessary – essentially, to draw the development funding in, earlier. In South Sudan, as noted earlier, there are still few development funds being spent, insignificant investment in infrastructure, and almost no investment in building the capacity of state officials.

### **III.D.i. Funding for capacity and planning**

130. The need for strategy and planning and the absence of staff to respond to these needs have been noted. A key, though not the only, reason for their absence is a lack of funding. There are currently inadequate resources to find and develop an adequate supply of high quality staff. This is a core gap in funding for early recovery. SRSGs and RC/HC/DSRSGs – the leadership of the multilateral system – are under-resourced, understaffed and under supported (some RC offices operate with only one or two support staff). BCPR, DPKO, and UNDGO have the capacity to provide some very limited support and, in theory though rarely in practice, strategic planning advisers – again, an area where work is beginning in response to the systems recognitions of these gaps.. More comprehensive support to these functions is essential to effective early-recovery response.

### **III.D.ii. Flexible and responsive funding**

131. The ‘funding gap’ for early recovery relates primarily to the nature of the funding available. Current systems earmark funding for types of activities – both broad (‘humanitarian’ or

‘development’) and specific (‘schools in districts where our PRT is operational’). Their accessibility is a function of windows in MDTFs and standing funds and the accountability and reporting requirements vary widely. Four common manifestations include:

132. Funding that arrives after the need – the classic and common examples are seeds and shovels that arrive after planting season, or funding for vocational training two years after a DDR program is in need.
133. Accountability issues that prevent funds from being moved in response to changed circumstances. When a certain area is non-operational for security or political reasons – as is all too common in Afghanistan – funds cannot simply be moved to deliver dividends in peaceful areas, but often languish.
134. Earmarking that distorts priorities – where donors drive programming based not on shared strategy, but on pure self-interest.

### III.D.iii. Early access to development funds

135. Perhaps the most critical funding flaw in early recovery is the inability to bring development funding forward and to adjust longer-term development spending to emerging and changing needs. In some of the sectors outlined earlier – public administration and agriculture, for example – there are long-term streams of development funding available. None of these streams is deployed in the early recovery period, however, preferring to wait for a greater degree of stability and higher level of sustainability, when the evidence and the need both argue for early deployment as necessary to build a platform for development. This is an issue of flexibility, accountability, and the idea of ‘good enough’ development, as discussed previously and explored in the donor section below.
136. A positive example of how a donor has demonstrated the ability to reorient development programming to respond to early-recovery needs is the Danish program in Nepal.

*The Danish Interim Country Strategy for Nepal in 2006 was an early attempt to combine foreign policy and diplomatic objectives in a conflict situation and integrate these with a continuing development program. The strategy deliberately took a short-term (‘interim’) approach, which allowed Danish funding to be flexible and responsive, and arguably provided an effective framework for engagement in a situation of low legitimacy.*

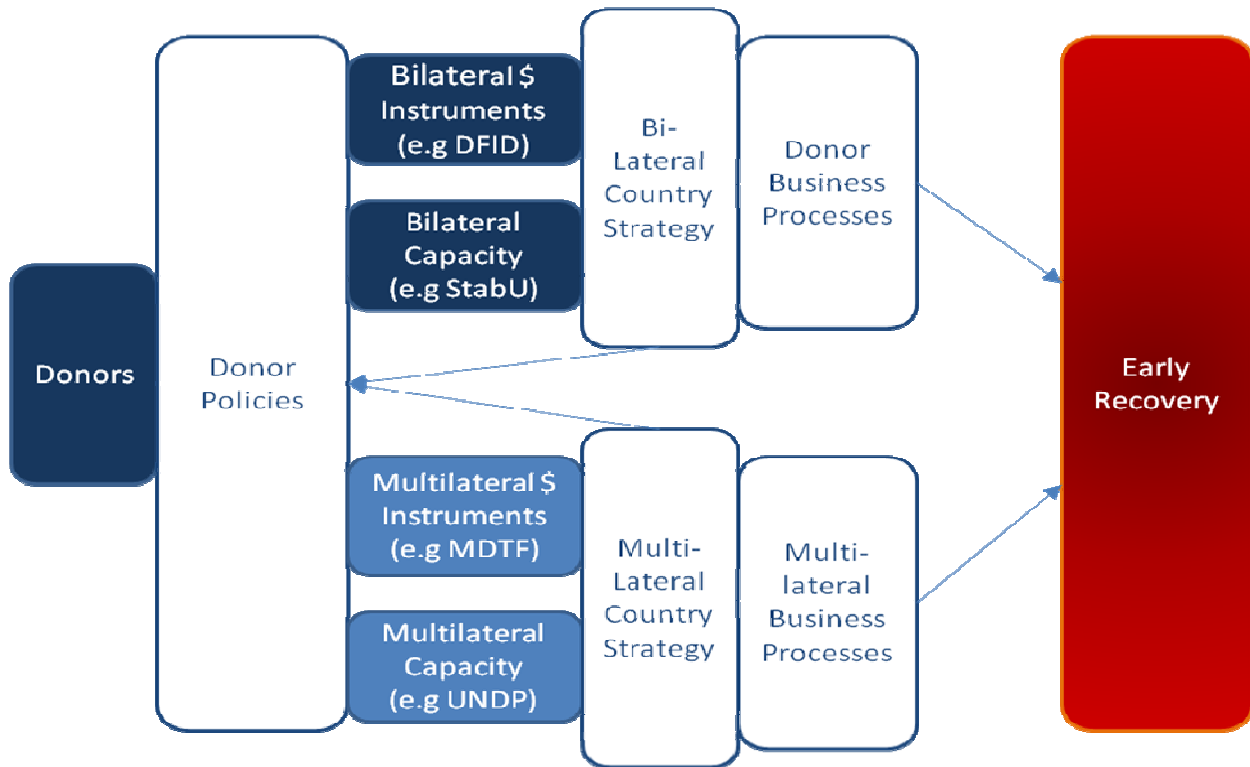
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137. Despite all of the above, there are cases of a genuine funding volume gap. Some are countries that are so-called aid orphans or forgotten emergencies – the funding gap in these cases is not specific to early recovery, but rather is a more systemic lack of attention and assistance by the international community for the country in question, be it for humanitarian, development, or early-recovery needs.
138. All of this, of course, points to the question of the sources of funding – to donors.

## Section IV: Donors

139. Despite over a decade of recognition of the transition or early-recovery gap, donors are still not structured for early recovery, nor do most have effective, holistic policies and approaches for early recovery and transition.

**Fig 4: The current system of early recovery**



140. So far, this report has identified weaknesses in execution at the right hand side of *Figure 3*, above, and worked its way backwards, identifying faults in business process and strategy, gaps in capacity, and failures in instruments.
141. Ultimate responsibility for this picture is confused and contested. Certainly it involves the Security Council, which has Charter responsibility for peace and security, and the major donors, who have the resources to drive change.
142. Accountability cannot be limited to this group of states, again because formal responsibility for the development system lies elsewhere, with the GA, ECOSOC and the governing boards of the development agencies and banks. This diffused responsibility and accountability is a major obstacle to reform. Nevertheless, in the real world, a coalition of key OECD donors, the P5, and major non-OECD stakeholders (including emerging donors from among the G77) will have to take responsibility for driving the kinds of changes necessary to improve system-wide performance.

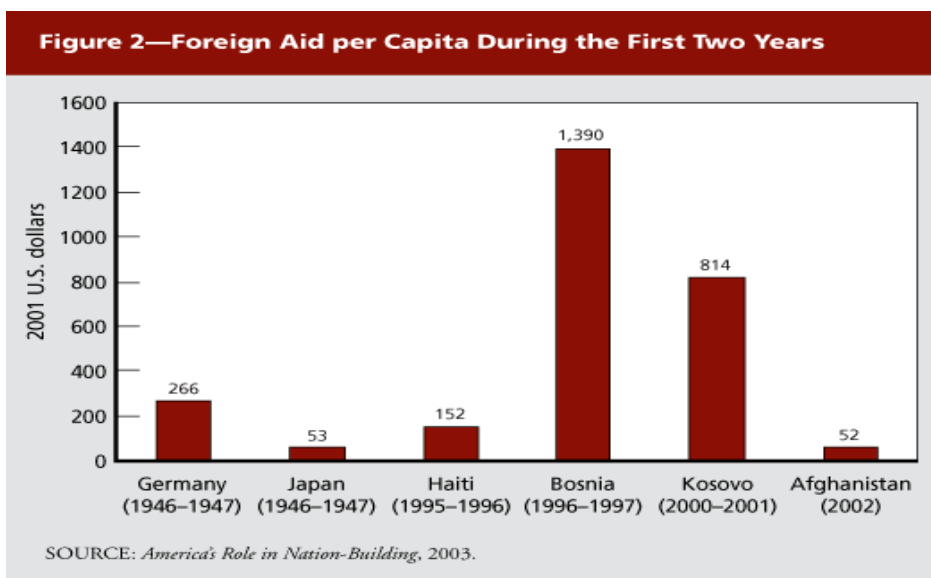
143. We highlight five key challenges facing donors below; these are explored in more detail in **Annexes**.
144. Vision: Considerable effort, driven by donors and the OECD-DAC, has led to progress on ‘good’ donorship. In fragile states, in particular, efforts to improve peacebuilding and statebuilding are widespread, though uncoordinated, and inadequately linked to practice. The specific subset of early recovery has received little attention – indeed, no donor to our knowledge has a policy on early recovery. If international performance in early recovery is to be improved, there is a need for recognition of its importance, attention to the challenges, and investment in improvement, both individually and collectively by the donor community.
145. Bad donorship: Despite a decade of work on transition, and decades of critiques of development, donor funding remains neither flexible, nor predictable, nor timely. These issues, already problematic in normal development, preclude the possibility of successful early recovery. Donors recognize this, but do not do enough to address these issues. They continue to earmark; to have patchy approaches to early recovery, treating it alternatively as humanitarian, or post-conflict, or ‘fragile state’ issue; they lack clear policies and guidance that is early recovery focused; and they continue to focus on bilateral approaches – we have current plans to train and invest in thousands of British and American civilians, while the AU’s Peace and Security division has under ten staff members. The list goes on. Post conflict countries are subject to wild swings in funding, broken pledges, and delayed disbursement, not to mention a plethora of often always unsynchronized and often ridiculous reporting requirements. If donors wish to be serious about early recovery, these issues must be addressed. This requires political leadership, changes in policies, programmes and funding, and the capacity to manage and execute.
146. New objectives: We cannot stress enough that early recovery activities need to serve early recovery objectives. The millennium development goals and poverty reduction are simply not the correct framework for early recovery, and donors must recognize and reorganize to accept this, if they are to be taken seriously.
147. Lack of mainstreaming: Early recovery is seen as specialized – which it is. The need for specialized skills should not preclude mainstreaming. Early recovery needs cannot be left to a small group, but need to be mainstreamed across agencies, so that early recovery leaders can work across the system with colleagues who appreciate, if not understand, conflict-sensitive approaches to development. Roads still need to be built, and can be started in early-recovery periods effectively, with some training on conflict-sensitive development and how to work in such contexts for ‘traditional’ development staff. A good initiative: the World Bank has made recent pledges to mainstream conflict training across its sectoral units.
148. Accountability: Donor talk of accountability, and of demanding that host nations comply with reporting conditions to avoid corruption, is understandable, but such expectations and requirements must be realistic. Also, donors themselves are fundamentally unaccountable. It is impossible to track early recovery spending, as we have noted, and there is reluctance and/or inability to explain what is being spent where, when, and why. Donors are unwilling to commit to pledges – the pushback on the Afghanistan Compact when it attempted to make accountability a two-way street is perhaps the only example of unified donor action in that country.
149. Whole of Government and Decentralized approaches – donors are quick to criticize UN agencies for not working well together and are proponents of greater coherence but are not always good at

practicing what they preach. To their credit, a number of donors are pursuing whole of government or more joined up approaches and the need for such approaches is widely recognized. But, implementation remains a challenge, as does successful decentralization of authority and decision-making to the country level.

150. Aid orphans: The table overleaf ranks the top 15 aid-recipient countries based on the number of donors for whom these countries are in their top-ten recipients of aid – a useful proxy variable for detecting donor interest. Iraq and Afghanistan are #'s 1 and 2 – unsurprisingly. The D.R. Congo is the other post-conflict country on the list, at #6. All the rest are non-conflict countries. Sierra Leone, Rwanda, Burundi, Liberia, Haiti, and Timor-Leste – to name a few – don't even show up. These countries are not aid orphans, but the needs of early recovery are clearly dramatic – and there is a question as to whether these countries (far poorer than the countries in this list) are receiving adequate attention.

	Total Aid (USD M)	Rank (\$)	# of countries giving aid	Rank (# of countries)
<b>Iraq</b>	<b>10942</b>	<b>1</b>	<b>8</b>	<b>1</b>
Nigeria	5225	2	7	2
<b>Afghanistan</b>	<b>2115</b>	<b>3</b>	<b>6</b>	<b>3</b>
<b>Sudan</b>	<b>1446</b>	<b>4</b>	<b>6</b>	<b>4</b>
Ghana	534	13	5	5
<b>Congo, Dem Rep</b>	<b>970</b>	<b>5</b>	<b>4</b>	<b>6</b>
Ethiopia	812	8	4	7
Indonesia	705	9	4	8
Tanzania	563	12	4	9
Bangladesh	359	19	4	10
Mozambique	320	21	4	11
India	920	6	3	12
Egypt	910	7	3	13
Cameroon	386	18	3	14
Uganda	209	25	3	15

151. When considered in per-capita terms, the data is even more striking. A 2002 Rand study produced the following graph:



The amount of foreign aid per capita in the DRC currently stands at \$15.50; Haiti at \$11.73, and Rwanda at \$3.86.

#### **IV.A: Efforts at reform**

152. Some donors have begun to take steps towards reform. Some have formed units and teams to focus on these issues – though the funding battle faced by the Coordinator for Stabilization and Reconstruction in the United States demonstrates the challenges these units face. Some countries have gone cross-agency (e.g., Canada with START, or the UK Stabilization Unit) and have even created specific funds for stabilization or peacebuilding. There are review and reform processes underway within a number of donors, notably Sweden, Finland, and Denmark, and consideration of new approaches by others, such as France and Spain. These fledgling efforts incorporate ideas of new windows and instruments, as well as changes in organizational alignment, but there is no clarity as to their outcome, and a perceived lack of genuine leadership. There is overall uncertainty as to whether it is better to mainstream conflict programming, or to have specialized units, or how these two should combine. Answering such a question is beyond the scope of this paper, though a clear area for further work. At the minimum, a realistic assessment of investment capacities should drive these decisions.

### **Section V: Conclusions and Recommendations**

#### **V.A: Conclusions**

153. As donors move towards real reform of their own systems for recovery and development, they can also encourage changes in the multilateral system. Effective multilateral systems rest on effective national ones.
154. In this report we highlight three ‘gaps’ in international action in early recovery – a strategic gap (encompassing assessment and strategy process); a capacity gap (encompassing absolute gaps in civilian capacity, gaps in leadership, in training, and in business practices); and a financing gap (encompassing the availability of rapid, flexible funds, and specific funding geared to support implementation of the political process and statebuilding).
155. Although the report focuses on gaps in international capacity, we emphasize that external action in early recovery operates within a national political context and must have as its central rationale the establishment of national capacity sufficient to the challenge of managing its own recovery. We also stress the intensively, inescapably political nature of this work, and the need for the implementation of the political agreement to be the guiding framework that shapes recovery strategy. Below, we make a series of modest recommendations designed to help the system as currently structured mount more efficient and more effective responses. But, as stressed at the outset of the report, we do not neglect the fact that early recovery happens within a broader system for development and conflict management and also largely contingent on those systems. The reforms we propose here would work more effectively if located within a system more strongly oriented to conflict management and post-conflict recovery.

156. We focus on the development system, both because of its importance in providing the necessary finance for early recovery, but also because – as argued in the Introduction – it is not primarily oriented towards conflict, and therefore requires particular focus.
157. That is changing though, or should be. In the years ahead, bilateral and multilateral development systems are likely to be charged with three primary functions: (1) providing support, largely budgetary, to ‘high performer’ states that have taken the lead in internal policy reform and the management of their own development (the Vietnams, the Malawis); (2) helping a broader range of states adapt to globalization (hopefully helping to ameliorate what Robert Zoellick and Ashraf Ghani have called ‘a crisis of globalization’) and to participate in the negotiation of and consumption of global public goods (trade, climate adaptation, food security, etc); and (3) helping states build national systems for conflict prevention, reduction and management; the rule of law; and transparent governance – particularly in conflict-affected or fragile states.
158. Given that this is so, the organizational weight accorded to conflict-related development should grow accordingly. The World Bank has already indicated that conflict recovery will be one of six priority areas, fused two units that deal with conflict into one stronger one, and established a new Fund to support in-country programming – though the Unit in question (OPFCAC) has not (as yet) been given authority over in-country lending or programs per se, and significantly more work will be required if the World Bank is to fully implement the new prioritization of conflict recovery. UNDP now also has Conflict Prevention and Recovery as one of its four focus areas in its new Strategic Plan, although funding and leadership focus for it remains relatively low. Other funds, programs and specialised agencies are also giving early recovery more attention, although still as an aside to broader programs.
159. Changes to UNDP are also necessary. While not the only development agency with a role in early recovery, UNDP clearly has a core role. A more predictable, more effective response on the development side of early recovery would require a UNDP restructured and with greater support, along the following lines:
- higher volumes of unrestricted funding to UNDP for use in conflict-affected countries ideally from core resources but if not then from committed, regular, voluntary funding);
  - BCPR given authority over recruitment and management of personnel and management of funding and programming in conflict-affected countries, perhaps designated by those in which either the Security Council has mandated action or is on the PBC agenda;
  - designation of the head of BCPR as the inter-agency lead for the development aspects of post-conflict recovery and concomitant responsibility to act on behalf of the whole system ;
  - transfer of the inter-agency coordination functions currently housed at UNDGO to BCPR for conflict-affected countries, and establishment of a sub-group of core agencies to provide oversight to BCPR’s coordination function in conflict-affected countries – modeled along the lines of UNDGO, but with a smaller membership and incorporating the political agencies;
  - commitment from the UNDP Administrator to foster the identification, selection and deployment of conflict-experienced personnel from development, humanitarian and political backgrounds for deployment as Resident Coordinators in conflict-affected countries – and strong support from the Secretary-General to UNDP to develop the resource base and human resource mechanisms, to identify and sustain that talent, and adequate, committed and sustained funding from donors to support this.

160. In addition, the ongoing process of development stronger UNDP-World Bank relations and cooperation in conflict settings should be strongly encouraged by their respective governing mechanisms and donors. More coherence at the country level and stronger UN Country Teams, under effective RC leadership is also key.
161. This would result in an early recovery system with six pillars at headquarters: DPKO (covering security, the military side of demobilization, security sector reform, police and the ‘hard’ edge of the rule of law); DPA (covering political mediation, constitutional process, and regional analysis); OCHA (providing coordination of humanitarian services and the non-military aspects of protection, as well as humanitarian analysis – and through it, links to key humanitarian actors such as UNHCR, WFP and UNICEF); BCPR (covering state-building functions in public administration, the ‘soft’ side of the rule of law, the community-development aspects of demobilization, and links again to the main operational agencies); the World Bank (covering state-building for the management of the budget, central planning, and the economic framework, private sector investment); and UNHCHR (human rights, transitional justice.) Gaps in lead action for early economic recovery need to be filled as a matter of urgency.
162. The Secretary-General – using a strengthened Peacebuilding Support Office and the Policy Committee process – would have lead responsibility for ensuring that this five pillar system cohered around effective strategy in support of the in-country lead: ideally, a well-qualified SRSG with effective authority, supported by a well-resourced Deputy SRSG/RC, and resourced, coherent and well-functioning UN mission and Country Team.
163. The inter-governmental aspect of this is less tidy, but with the establishment of the PBC there is at least a basis for forward progress. To highlight this, we refer to the speech of PM Brown at the Security Council on 16 April, 2008 where he argued that authorization of a new peacekeeping mission by the UNSC should automatically trigger development spending by the UN system. The system as structured before the establishment of the PBC could not respond to that logical call. The PBC may now be in a position to do help. For example, the PBC could meet in the early weeks after the establishment of a peacekeeping mission to (a) review, on the basis of an input from PBSO (working through the six pillar system described above), identifiable financing flows (from the mission budget, the CERF, early donor commitments, etc); and (b) appeal to its members, the bodies from whom its members are elected (ECOSOC, the GA and the UNSC), and to the donor community to rapidly mobilize funds for anticipated early recovery needs. The PBSO could then also mobilize seed funding from the Peacebuilding Fund to facilitate that process.
164. As complicated as the current international system for post-conflict recovery is, then, it is also moving in the right direction. The gaps identified in this report are real, but not insurmountable. Our recommendations are modest, designed to improve the system as it currently operates, not to reform the system – but they could also serve as a step towards a more nimble, more effective system that can more rapidly mobilize to help states and their populations recover from the devastation of war.

## **V.B: Recommendations**

165. This section focuses largely on system level recommendations – as we were tasked with in the report. There are two essential caveats to these:
  - Solutions that fix one gap, absent processes that deliver on fixing the other gaps will not work.
  - The field-level remains imperative. If these mechanisms are to work, and to work effectively, the capacity and the will – which implies the incentives and the personnel – must exist in country, across the UN, the World Bank, and bilateral actors.
166. Beyond this, we re-affirm that international action in early post-conflict recovery should be aligned against two core objectives: implementing the peace agreement; and building national capacity to sustain the political process, maintain security, and lead national development efforts.
167. The following steps could improve capacity of the international system to rapidly secure the peace and act early to support the development of national capacity for recovery;

## I. Closing the Strategic Gap.

The ability of UN in-country leadership to rapidly drive effective strategy for early recovery would be enhanced if they could draw on:

- (1) Integrated Standing Early Recovery Strategy Teams (INSERT). Such teams could be led by experienced RCs/Deputy SRSGs/World Bank Representatives and comprised of 10-15 experts with experience in post-conflict recovery in a range of sectors (e.g. strategic planning, public administration, public finance, agriculture, security sector reform.) These teams could stay in-country for 3-4 months, working with the mission and the Country Team as well as bilateral actors to help develop shared strategy. They could also be deployed where no peacekeeping/political mission is planned, to support the UNCT. They should be housed at PBSO or BCPR and deployment should be triggered by the SG. These teams would have three core tasks:
  - i. to deliver an interim strategy document and framework, driven by a very rapid assessment that draws on pre-existing in-country resources, that costs and prioritizes activities;
  - ii. to provide (or commission) an assessment of the state of the state – the capacities of national actors, and provide explicit and specific mechanisms for supporting capacity
  - iii. to help identify capacity that can be built within the mission and the government to take over from such a team.

Also, the **'peace process gap'** could be ameliorated if there was a flexible link between the INSERT teams and the Mediation Support Unit.

- (2) A standardized but light and flexible version of the Integrated Peacebuilding Strategy piloted by the PBC, and a 'light' Post-Conflict Needs Assessment process (as being explored by UNDP/G and the World Bank.) This should include rapid implementation of a 'state of the state' assessment – along the lines modeled by the Institute for State Effectiveness. The INSERT teams could work on the development of such tools (and links to others such as mission planning) when not deployed.

A 'best practices' report on the CAF experience in the DRC (and which drew comparisons and contrasts to earlier, similar experiences in Afghanistan and the Middle East) would add value. This could be undertaken jointly by DPKO and BCPR.

## II. Closing the financing gap.

A more effective system for financing early recovery can be accelerated by:

- (3) Expansion of the use of the PBF to support operational spending around political activities by SRSGs, and to provide INSERT teams with limited seed funding.
- (4) Following the Accra meeting on aid effectiveness, establishment of an Early Recovery Financing Task Force. A Task Force of bilateral actors should work on reform of their own development systems – goals should include reprioritization of funds towards conflict-affected states; and new mechanisms to ensure early, easy access to those funds, with higher acceptance of risk. They should work together, to align bilateral approaches, and they should consult

frequently with the World Bank, the UN leadership, and experienced SRSGs/RCs. They could work through the OECD to (a) identify ‘aid orphans’, (b) share responsibilities for taking up new countries with long-term commitment, while properly supporting other existing mechanisms..

- (5) An in-country pilot of an Early Recovery Fund (similar to the Common Humanitarian Funds, or an MDTF light) could be developed if action on the in-country pilot does not detract from the goals of the Task Force and the funds are additional not simply redirected. SRSG authority over spending from such funds would strengthen strategy.
- (6) Continued expansion of the peacekeeping assessed budget for core activities supported by DPKO.

The ‘business practice’ gap identified herein also requires attention and work. A small team could interview SRSGs, Deputy SRSGs, RCs and agency heads and rapidly identify the 10 most pernicious problems that impede effective delivery, and provide a report to the Deputy-Secretary-General for action. Obviously, however, systemic reform to human resources and management systems will require a broader investment – perhaps being spurred by the Secretary-General’s proposed initiative on accountability.

### **III. Closing the capacity gap.**

[A more full report on rapid deployment of multilateral civilian capacity is being prepared by CIC for the Danish government.]

To fill the gap in civilian capacity, several steps will be needed.

- (7) Shared assessment of need, and establishment of a ‘clearing house’ to coordinate national efforts.
- (8) National investment in civilian stand-by capacities.
- (9) Development of strategies for building (or mobilizing) civilian capacity in the global South.
- (10) Investment in multilateral planning capacity, training, and stand-by teams for core sectors such as security sector reform and the rule of law.

### **IV. More, better knowledge**

In many cases, the research done for this paper has identified areas where there is a serious knowledge gap that restricts the ability of the international community to respond effectively. Many of these areas are identified throughout the paper; we choose here to highlight four, which are vital to building better response mechanisms.

- (1) The mechanisms that exist to seriously build national capacity, the areas in which that capacity is most useful to secure early stability, and the areas where
- (2) The actual demand for a peace dividend, the speed at which such a dividend is demanded, and the relationship between the international communities pledges and the expectations of citizens

- (3) The links between political stability and service delivery, particularly to understand the impact of the use of 'substitution' mechanisms or Community Driven methodologies to deliver local services
- (4) The roles of public and private finance in short-term job-creation, and the comparative advantages of each

## Annexes

[Available separately.]