DEVELOPMENT CHALLENGES AND RESPONSE ACTIONS IN CONFLICT-AFFECTED COUNTRIES

1. Poverty, marginalization, and vulnerability:
   - Economic, social and political inequality among culturally, ethnically, or socially defined groups.

   *How to Handle Challenge through Sustainable Development:*
   - Concentrate on the needs of vulnerable and marginalized groups.
   - Determine and address the root causes of poverty.

2. Unsustainable exploitation of natural resources and environmental deterioration
   - Direct harm of natural resources and ecosystems, for example, through hazardous substances or overtaxing renewable resources.
   - Indirect harm to the environment often caused by coping strategies of local and displaced people in emergency situations or via uncontrolled overexploitation.

   *How to Handle Challenge through Sustainable Development:*
   - Set priorities and timing early, as inaction or poor choices can easily lead to locking development into an unsustainable path that undermines peace.
   - Properly manage resources to encourage economic growth and employment; and to foster multi-level and multi-group engagement, cooperation and reconciliation.

3. Insecurity, militarization, and lawlessness
   - Distorted traditional power structures that include active non-state armed groups and easily accessible weapons.
   - Human rights abuses and violent crime.

   *How to Handle Challenge through Sustainable Development:*
   - Improve political processes so that they are inclusive and legitimate.
   - Implement state-society contract formation and reformation.

4. Societal divisions
   - Residual politicisation and stereotyping.
   - Bridges between social groups are weak, though group ties and identities within groups are strong.

   *How to Handle Challenge through Sustainable Development:*
   - Negotiate long-term goals and create a shared vision for the future to build trust and bridges, and confidence in the government’s interest in equality.
   - Openly discuss differences and understand the benefits and losses of certain policies and trade-offs.
5. **Poor governance, corruption, and low capacity**
   - Decimation of government institutions and organizational linkages.
   - Poor coordination among local and national institutions, formal and traditional institutions, the state and the (newly developing) civil society.
   - Corruption.
   - “Brain drain,” the loss of the country’s most skilled workers.

   **How to Handle Challenge through Sustainable Development:**
   - Implement policies to fight corruption.
   - Build capacity; working toward better governance is crucial.

6. **Poor economic performance, limited fiscal resources, and disruption of infrastructures and public services**
   - Damaged infrastructure, scarce employment opportunities, reduced foreign investment, big shadow economies, and increased capital flight.
   - Inability to collect taxes, manage resources, implement policy, or uphold the rule of law.

   **How to Handle Challenge through Sustainable Development:**
   - Consider growth strategies of several dimensions: social, economic, and environmental.
   - Strengthen policies by seeking to achieve multiple goals at once, where possible. For example, using resources more efficiently is better socially, economically and environmentally.

7. **Regional and external risks**
   - Receipt of support or intervention from other countries that is not context-sensitive.
   - Conflict as a result of the direct or spill-over effect from external involvement.

   **How to Handle Challenge through Sustainable Development:**
   - Coordinate and cooperate across borders. For example, joint infrastructure projects can stimulate economic growth and create employment.
   - Build relations between neighbouring countries. For example, transboundary environmental cooperation and management of ecosystems or natural resources can be a stepping stone to (re)build relations and trust between countries.

This handout features a summary of the Guidance Notes.