

PEACEBUILDING COMMISSION
WORKING GROUP ON LESSONS LEARNED

Concept Note

The PBC Working Group on Lessons Learned –
Economic Revitalization in Peacebuilding and the Development of Service Based
Infrastructure
Conference Room 2
22 November 2010, 10:00a.m. – 01:00p.m.

I. Introduction

The Report of the Secretary General on Peacebuilding in the immediate aftermath of Conflict identifies as a recurring priority “economic revitalization, including employment generation and livelihoods (in agriculture and public works) particularly for youth and demobilized former combatants, as well as rehabilitation of basic infrastructure”.¹

Youth employment and reintegration of demobilized former combatants have been addressed in past WGLL meetings. Previous sessions have identified economic revitalization as a critical success factor and a component of peacebuilding.² Economic revitalization does not, however, automatically contribute to peace on its own. A context conducive to economic revitalization is needed, including appropriate legal and regulatory frameworks, guidelines and policies. These requirements will vary from one country to another.

Economic revitalization is listed as a priority area in four out of the five countries on the PBC agenda. In Guinea Bissau, for example, PBC priorities include ‘measures to jump start the economy including energy and basic infrastructure’, hence associating economic revitalization with specific sectors. The Peacebuilding Fund allocates 20% of its resources to its third priority area, ‘Supporting Early Economic Recovery and Providing Immediate Peace Dividends’.³

II. Purpose and key issues for consideration

In the context of peacebuilding, economic revitalization cannot exclusively be viewed as meaning economic growth but should include the notion of human development. In the

¹ *Report of the Secretary-General on peacebuilding in the immediate aftermath of conflict* (A/63/881 – S/2009/304), <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N09/367/70/PDF/N0936770.pdf?OpenElement>, p. 6.

² *Peacebuilding Commission Working Group on Lessons Learned Lessons Learned on Sustainable Reintegration in Post-Conflict Situations*, 28 May 2009, <http://www.un.org/peace/peacebuilding/Working%20Group%20on%20Lessons%20Learned/WGLL%20Chair's%20Summary-Sustainable%20Reintegration-28-May-09.pdf>

³ The Peacebuilding Fund Report of the Secretary General 2010 (to be released soon)

broadest definition, economic recovery can include socio-economic well-being, meaning “food security, public health, shelter, educational systems, and a social safety net for all citizens... [and]...an economic strategy for assistance that [is] designed to ensure the reconstruction of physical infrastructure, to generate employment, to open markets, to create legal and regulatory reforms, to lay down the foundation for international trade and investment, and to establish transparent banking and financial institutions”⁴.

According to Paul Collier “Security and accountability are two public goods that make economic development possible”⁵ and contribute to making economic revitalization an element of peacebuilding. Indeed, the components necessary for an effective economic recovery strategy need to be identified in individual country contexts. The World Bank⁶ argues that to increase chances of stability there is a need for ‘inclusive economic growth’, meaning more equal access to opportunities to increase chances of durable stability. It also implies building institutions with sufficient capability and legitimacy to enforce minimum rules and providing the enabling environment for entrepreneurial drive, innovation and investment;⁷ and governance capabilities, a generation of broad-based and sustainable jobs, and mechanisms to tackle the ‘informal economy’ appropriately and encourage private sector development⁸.

There are a number of measures that can be taken besides jump starting the economy to increase chances of sustaining peace. The UN Development Program Bureau for Economic Recovery and Conflict Prevention (UNDP – BCPR) points to a number of recommendations when addressing *Post-Conflict Economic Recovery: Enabling Local Ingenuity*⁹ such as the need to give priority to restoring institutions and mechanisms for macroeconomic and fiscal management and the need to put emphasis on creating employment and fostering investment opportunities; steps that are recognized as necessary in the aftermath of conflict.

Whilst there is a variety of ways to promote economic revitalization in the aftermath of conflict, this WGLL meeting will first look at what are some of the key components necessary for economic revitalization in the aftermath of conflict. One of them is the need to provide basic infrastructure,¹⁰ which will be the focus of this WGLL meeting¹¹. Although the potential to develop service based infrastructure in a post-conflict

⁴ Mendelson-Forman, 2002, cited in *Post-Conflict Economic Recovery: Enabling Local Ingenuity*, UN BCPR, 2008, http://www.undp.org/cpr/content/economic_recovery/PCER_rev.pdf

⁵ *Development in Dangerous Places: If richer states provide security, the poorest can finally grow*, Paul Collier, <http://bostonreview.net/BR34.4/collier.php>

⁶ *Inclusive Growth and Employment in Fragile situations, Summary Report of the Fifth World Bank Headline Seminar*, World Bank, 12-13 April 2010, Cape Town, South Africa.

⁷ North 1990, Rodrik 2000, Acemoglu et al 2007, Evans 2007, Acemoglu & Robinson 2008 cited in Ibid.

⁸ *Inclusive Growth and Employment in Fragile situations, Summary Report of the Fifth World Bank Headline Seminar*, World Bank, 12-13 April 2010, Cape Town, South Africa.

⁹ *Post-Conflict Economic Recovery: Enabling Local Ingenuity*, 2008, UN BCPR, http://www.undp.org/cpr/content/economic_recovery/PCER_rev.pdf

¹⁰ The World Development Report Concept Note for 2011 envisages discussing the role economic and administrative restructuring can play in capacity building, with impacts ranging from increased domestic revenues to labor-intensive growth in the medium term.

¹¹ PBSO intends to explore other aspects related to economic revitalization through a variety of actions.

environment will depend on a number of contextual factors and the level of stability, this sector has the potential to both create employment in rural and urban areas and be critical to “business development and the attainment of economic growth”¹².

The scope of service infrastructure is broad. Some service based infrastructure can contribute directly to peacebuilding (health, education,...); some have a more direct impact on economic revitalization (roads, transportation, irrigation, energy, etc.) which also plays a role in consolidating peace. Service based infrastructure involves a number of stakeholders including the state, the private sector, non governmental organizations which in some cases work in partnership with each other. Irrespective of the model, there is a need for a regulatory framework and oversight mechanisms ensuring infrastructure development proceeds in the public interest.

III. Key issues for consideration

1. What types of mechanisms are necessary to ensure economic revitalization activities reinforce peacebuilding and contribute to peace processes?
2. What role, policies and actions should the government undertake in the process of economic recovery in the aftermath of conflict? What frameworks could the government put in place to ensure that service based infrastructure is conducive to peacebuilding?
3. What initiatives could regional organizations implement to promote economic revitalization in the aftermath of conflict, and what models of south south cooperation could support economic revitalization for peacebuilding?
4. What stakeholders have a role in economic revitalization and what is their respective level of responsibility?
5. What concrete steps can the PBC take to support economic revitalization policies and programs that contribute to creating an environment conducive to peacebuilding?

IV. Format and Structure

Location: New York

Date: 22 November 2010

Guests: Open to WGLL members and UN in New York.

Panelists:

¹² *Development of Infrastructure*, Victoria Mendez Charles
<http://unpan1.un.org/intradoc/groups/public/documents/caricad/unpan008612.pdf>

(1) **Professor Bartholomew Armah**, Senior Policy Adviser for UNDP – BCPR, co-author of “Poverty Reduction Strategies in Action: Perspectives and Lessons from Ghana” and the UNDP-BCPR report on “Post-Conflict Economic Recovery: Enabling Local ingenuity”.

(2) **Professor Nadia F. Piffaretti**, Senior Country Economist for Zimbabwe and Senior Economist in the Fragile and Conflict-Affected Situations Group of the World Bank.

(3) **Mrs Consolata Ndayishimiye**: President of the Burundi Association of Women entrepreneur (AFAB) and President of the Federal Chamber of Commerce and Industry of Burundi.

(4) **Professor Graciana del Castillo**: Senior Research Scholar at Columbia University, and author of "Rebuilding War-Torn States" (TBC).

V. Outcome

In preparation to the WGLL meeting, an online E-Discussion will be launched to refine gaps and challenges that need to be discussed during the WGLL meeting scheduled in November.

Following the meeting, the PBSO will prepare a Chair’s Summary of relevant lessons drawn from the presentations and discussions. The document will be distributed to the PBC Chair and the chairs of the various country specific configurations.

Furthermore, discussions with the chairs of the country configurations will precede and follow the meeting in order to identify the lessons learned that could best be applied and carried forward in the specific PBC countries.