

Transition from Conflict to Peace

Report on First Headline Seminar

Seminar

IMF World Bank Annual Meetings

October 14, 2008



The World Bank

Fragile & Conflict Affected Countries Group

Format of Headline Seminar

Held at World Bank on September 22, 2008

- Seminar brought 8 international experts on fragility and conflict to table to interact with each other and Bank senior management and staff on three aspects of the transition from conflict to peace:
 - Development, state & nation building.
 - State functions, institutions & capacity.
 - Peace-building & development.
- This series of seminars will inform Bank strategy, research and operational activities.
- Three more seminars planned during 2009.



Development, State & Nation Building I

- Nation-building & state-building differ.
- Nation-building is endogenous & outside actors have little influence.
- State-building has a political dimension that outsiders need to understand, e.g. rents and vested interests.
- Interrelation between state-building & security.
- Discussion about “shared sovereignty” & agreed transfer of some state functions to international community when capacity is very weak.
- Alternative views on partnerships with governments, who might prefer to outsource some services to private/NGO sector rather than to international agencies.



Development, State & Nation Building II

- View that international interventions should have the goal of making countries stable enough for normal economic & political activity.
- Differing views on international engagement: making violent states peaceful & then letting them develop themselves; vs early engagement to create environment for nation-building & sustainable economic development.
- Majority view that peace process is nonlinear & development actors need to seize opportunities that are often fragile and short-lived.
- Need for a shared view of the country's desired development path, while using short term results (2-3 years) to signal to stakeholders that peace and stability will be sustained.



Building State Functions, Institutions & Capacity I

- Needs a very long term effort to build accountable institutions, inclusive political system, & merit based civil service, including:
 - Support to higher education;
 - Making civil service attractive to competent people;
 - Ensuring officials are committed to national rather than ethnic or tribal goals.
- Need to support reformers & help them manage risks from wartime networks.
- Identify and support core functions of government that link to others, e.g. public finance, community development.
- Dynamic political analysis is critical.



Building State Functions, Institutions & Capacity II

Aid Modalities and State Capacity

- Issue of right amount of aid – quantity vs quality of impact – country context important.
- Absorptive capacity bigger problem than aid availability.
- Problem of parallel bureaucracies & PMUs.
- Issue of lack of alignment and harmonization which can be achieved through *National Programs*.
- Slowness of aid community & lack of predictability can lead to lost opportunities & discredited reformers.
- Waste from poorly tailored TA and reliance on contractors.
- Special issues of “*Whole of Government Approaches*”, PRTs, DDR & security sector reform.



Development Agencies & Peace Negotiations

- Engagement of development agencies should start before peace agreement and be facilitated by mediator.
- Development agencies usually not central players in negotiations and can contribute to economic aspects of peace agreements, (e.g. Bosnia Herzegovina).
- At minimum, potential for mutual knowledge sharing even if development agencies in the mediator's back room rather than being brought to the table.
- Most thought that when aid workers targeted they should stay away until security improved – others favored embedding them in PRTs.



Looking Forward...

- Need for agreements with partner governments on a long term perspective and agreement on key benchmarks for a period of at least 10 years, (e.g. in country strategies), even if formal commitments cannot be made.
- A unified strategy for aiding fragile states remains an unmet goal:
 - Widespread use of project-based approaches (other than in infrastructure) makes for poor coordination and bad investment choices;
 - No institutional mechanism for achieving a more strategic allocation of aid;
 - Need to explore and pilot new arrangements for coordination involving the UN and World Bank.

