

# CONFLICT-AFFECTED COUNTRIES

## A Comprehensive Development Framework Approach



Lessons from a Roundtable Discussion



THE WORLD BANK

**CONFLICT-AFFECTED COUNTRIES:  
A COMPREHENSIVE DEVELOPMENT FRAMEWORK APPROACH**

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# PREFACE

This report reflects roundtable discussions that were organized by the Center for Applied Studies in International Negotiations (CASIN) in Geneva, Switzerland, and the Comprehensive Development Framework Secretariat, part of the World Bank's Operations Policy and Country Services Vice Presidency. Financial support from the Swiss Development Cooperation Agency (SDC) is gratefully acknowledged.

The report was discussed at an informal meeting of the World Bank's Executive Board on August 1, 2003. The meeting was chaired by World Bank President, James D. Wolfensohn. Former U.S. President Jimmy Carter participated as a special guest.

The report distills the main points of the discussions, and presents some verbatim comments from the participants, who were not representing the countries in an official capacity, but as practitioners and experts in development. The quotations contained in the report reflect their perceptions and do not necessarily reflect the views of the World Bank, its management, or Executive Directors.



**CONFLICT-AFFECTED COUNTRIES: A CDF APPROACH**  
**LESSONS FROM A ROUNDTABLE DISCUSSION**

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# ACRONYMS AND ABBREVIATIONS

CASIN	Center for Applied Studies in International Negotiations
CDF	Comprehensive Development Framework
DDR	Disarmament, Demobilization and Reintegration
HIPC	Heavily Indebted Poor Countries
NGO	Non-Governmental Organization
PEAP	Poverty Eradication Action Plan
PRSP	Poverty Reduction Strategy Paper
SPLM/A	Sudan People's Liberation Movement/Army

# EXECUTIVE SUMMARY

Recently, several African countries have expressed interest in applying the Comprehensive Development Framework (CDF) approach to conflict and post-conflict situations, and the CDF Secretariat, Operations Policy and Country Services, was asked to explore the application of CDF principles in conflict-affected countries. This paper draws lessons from a Roundtable discussion held in Nairobi, Kenya, in October 2002, that brought together 30 development practitioners from five Sub-Saharan African countries—Ethiopia, Rwanda, Sierra Leone, and Uganda. Each of these countries is at a different place along the path from conflict to peace to development. The discussion centered on how the CDF approach could increase the effectiveness of development assistance and poverty reduction efforts in these countries. The paper invites reflections on these findings and the lessons for future assistance to conflict-affected countries, in general.

Roundtable participants concluded that CDF principles—long-term holistic vision, country ownership, country-based partnership, and focus on development results—are especially crucial in conflict-affected countries because their paths to economic recovery and sustainable development are strewn with potential barriers and setbacks that are specific to conflict. In peaceful countries, the long-term vision can just focus on economic development, while conflict-affected countries have the simultaneous burden of undertaking development tasks even as they are building and maintaining an often-fragile peace. Because the CDF approach to development is holistic, it provides a common foundation for both undertakings and considers the needs of all stakeholders. Dialogue—the process of reaching consensus on a long-term vision and a development strategy for achieving it—can provide conflict-ridden societies with mechanisms for healing the rifts between winners and losers, and a transparent forum in which

citizens can select, prioritize, and accept trade-offs in the pursuit of shared national goals.

Roundtable participants also emphasized that countries emerging from conflict have severe capacity constraints and are highly dependent on aid flows, conditions that can lead to a development agenda that is donor-driven. Instead, the CDF approach helps build ownership and create conditions for a post-conflict country to draw up and implement a credible poverty reduction strategy over time. This in turn, provides an effective framework for international development partners to support. The common framework of the PRSP can facilitate close coordination among key development partners to divide labor, avoid duplication, and exercise selectivity.

Finally, Roundtable participants emphasized the need to take a regional approach to managing post-conflict development because trade, economic relations, and all trans-border activities have enormous potential to strengthen or weaken development progress in conflict-affected countries.



# 1 INTRODUCTION

*The sustainable reconstruction of countries emerging from long periods of conflict is a challenge we ignore at our peril. This is not an issue we can relegate to the sidelines of development.*

James D. Wolfensohn,  
President of the World Bank

Since the World Bank was established to support reconstruction following World War II, it has recognized that conflict is a major roadblock to development and has been involved in solving problems specific to conflict-affected countries. Recently, several African countries have expressed interest in applying the Comprehensive Development Framework (CDF) approach to conflict and post-conflict situations, and the CDF Secretariat explored this at greater depth. This paper provides follow-up to that discussion by drawing lessons from specific in-country experiences on the application of the CDF in conflict-affected countries.<sup>1</sup>

**History.** The CDF is based on four interrelated principles: long-term vision, country ownership, country-led partnership, and focus on results. These principles underpin a holistic approach to development and poverty reduction that has been operationalized through the Poverty Reduction Strategy Paper (PRSP)<sup>2</sup> process in low-income countries, and is becoming increasingly important in middle-income countries. National ownership of the development agenda—the keystone of the CDF approach—has proven effective in guiding governments to engage in dialogue with citizens to develop a long-term vision and strategy for addressing all aspects of development, including poverty reduction. In divided societies where the CDF approach has been applied consistently, with coordinated support from international partners, it has contributed to forging consensus, enhancing trust and confidence among major stakeholders, and creating synergies that consolidate peace and accelerate development. Furthermore, the trust that is generated in an open dialogue has also helped strife-torn countries to

establish a governing institutional framework—an essential tool for managing conflicts of interest within societies.

**Process.** *The Roadmap to Economic Development in Conflict-Affected Countries*, a roundtable discussion that took place in Nairobi, Kenya, in October 2002, brought together 30 practitioners representing the central and local governments, the private sector, civil society, think tanks, and parliamentarians in five Sub-Saharan countries (Ethiopia, Rwanda, Sierra Leone, Sudan, and Uganda). The rationale for selection was that each of these countries is at a different point along the continuum from conflict to peace to development, and the objective was to gain insights from the diverse challenges of economic development in different types of conflicts, transitions, and country contexts.<sup>3</sup> The workshop examined the experiences and perceptions of these five countries from the perspective of the CDF principles and in undertaking consultations for PRSP. This paper is based on the proceedings from the workshop.

**Participants and Purpose of this Paper.** World Bank country teams selected the participants in consultation with the CDF Secretariat in Washington and the Centre for Applied Studies and International Negotiations (CASIN). The key criteria were substantial hands-on experience in applying the CDF principles, participation in national dialogues, and a PRSP process. The participants from Sudan—a country not yet embarked on the peace process—deepened the discussions with stimulating and practical questions related to their difficult reality, a 20-year civil war. Although discussions were grounded in the participants' first-hand

experiences in applying CDF principles and the PRSP process, the topics expanded to include economic, political, and social challenges presented by conflict. Consequently, the paper does not aim for comprehensive or quantitative analysis of all conflict-affected countries. Instead the information presented here reflects the concerns, insights, and points of view of the participants based on their experiences in peace building, post-conflict reconstruction, and development.

### CONFLICT-AFFECTED COUNTRIES

The Bank recognizes three categories of conflict-affected countries: those vulnerable to conflict, those in active conflict, and those in transition from conflict. In 2003, there are 41 conflict-affected countries, up from 37 in 2002. Of these, 32 are low-income countries. Although violent conflict has touched both rich and poor societies, the effects on low-income countries and their populations—particularly women and children—have been devastating. Some 15 of the 20 poorest countries have had major armed conflicts during the past 15 years. Conflicts have spilled across borders into neighboring states, and nearly every low-income country is adjacent to a nation that has experienced political breakdown and war. Consequently, addressing the challenge of creating conditions for durable peace and stability is not only urgent in and of itself, but also is a prerequisite for poverty reduction.

**Bank Policy.** In the 1990s, faced with complex challenges in assisting conflict-affected countries and in line with evolving international practices, the Bank sought to redefine its role by integrating a sensitivity to conflict throughout Bank strategies and activities. Consequently, in January 2000 it adopted Operational Policy and Bank Procedure (OP/BP) 2.30, Development Cooperation and Conflict, which provides a flexible framework for Bank engagement with countries affected by conflict.<sup>4</sup>

**Commonalities and Differences.** Although each violent conflict has its own distinct causes and dynamics, all conflict-affected countries have in common broken trust, as well as lack of shared goals and long-term national vision. The job of governments, post-conflict administrations, and authorities is to lead a multitude of political and economic processes simultaneously along the path of nation building/rebuilding with a strong awareness of context. Fail-

ure to manage these processes peacefully and in ways that continuously repair divided or fragmented societies can result in a return to violence and war.

### ROLE OF THE COMPREHENSIVE DEVELOPMENT FRAMEWORK

The fundamental premise of the CDF is that the *process* of development is vitally important as well as the strategic context in achieving development outcomes. The CDF approach is instrumental to development in two ways: first, it establishes mechanisms to bring people together to build consensus on a long term vision, to forge strong partnerships that allow for strategic selectivity, and focus on achieving concrete results; and second, it provides the framework for aligning the support of international development partners with the country-owned strat-

#### Box 1. PRSP Status of Countries

Uganda	CDF Pilot, third year of PRSP implementation
Ethiopia	CDF Pilot, Full PRSP, September 2002
Rwanda	Full PRSP, July 2002
Sierra Leone	Interim-PRSP, September 2001
Sudan	Peace negotiations under way

egy. The CDF principles are particularly useful where societies have been shattered by conflict. A carefully crafted process is even more crucial to rebuild trust, develop shared goals, and create a long-term national vision while moving along the continuum from conflict to peace to economic recovery.

**Roundtable Discussions.** The Nairobi Roundtable discussion was one in a series of regular roundtable workshops<sup>5</sup> used to distill lessons from experiences with the application of CDF principles in low- and middle-income countries. The Nairobi Roundtable discussion highlighted two central aspects of the CDF application—the critical need to develop long-term vision and a national strategy process to achieve it, and the vital role a national dialogue can play in underpinning broad-based consensus on the vision and strategic priority-setting. Ethiopia, Rwanda, Sierra Leone, Sudan, and Uganda are at different stages in their transition to peace and sustainable development and in implementing poverty reduction strategies (Box 1); applying the CDF principles helped them in their transition from conflict to peace and development. (See Annex 1).

## NOTES

1. The term “conflict-affected country” allows for a broad definition of the impact of conflict on national development, including spillover effects from neighboring countries. Conflicts differ in duration, severity, nature (internal or interstate), phases, and underlying causes, and each country differs in its road to economic recovery.

2. At its September 1999 meeting, the Development Committee, a joint ministerial committee of the Board of Governors of the World Bank and the International Monetary Fund, agreed that PRSP be prepared by national authorities in all low-income countries that receive support from the World Bank and IMF. “The Committee emphasized that the strategies set out in the new Poverty Papers should be country-driven, developed transparently with broad participation of elected institutions, stakeholders—including civil society—key donors and regional development banks, and have a clear link to agreed international development goals—principles that are embedded in the Comprehensive Development Framework.” *Development Committee, Communique*, September 27, 1999.

3. Ethiopia and Uganda were CDF pilot countries along with: Bolivia, Cote d’Ivoire, Dominican Republic, Eritrea, Ghana, Kyrgyz Republic, Morocco, Romania, Vietnam, and West Bank and Gaza .

4. *Development Cooperation and Conflict: Update on Implementation of OP/BP 2.30* (SecM2003-0058), February 2003, reviews recent experience in implementing the Bank’s policy on conflict and development.

5. See “Experience with National Dialogue in Latin America (Main Lessons from a roundtable discussion), San Salvador, November 2000; “Role of Government in Strengthening Country Ownership of Development Agenda: Roundtable of Senior African Government Officials”, September 2001; “CDF: Roundtables on Latin American Middle-Income Country Experience (Lessons and Implications)”. September 2002.



# 2 APPLYING CDF PRINCIPLES IN CONFLICT-AFFECTED COUNTRIES

In 1999, the CDF Secretariat began tracking experience with the implementation of CDF principles at the country level.<sup>6</sup> A key objective has been to extract lessons about the implementation of CDF in countries at different stages of their development, including countries that are in various stages of transition from conflict to peace. Where CDF principles are well internalized, the PRSP process has contributed to building long-term vision and ownership of the reform agendas and is proving to be an effective instrument to strengthen commitment to CDF principles in countries that have consolidated peace. The global community has learned from the peaceful transitions in Eastern and Central Europe, South Africa, and Chile that a national dialogue is a crucial aspect of the transition to new open societies that exhibit generally positive socioeconomic performance. More recently, similar approaches have been adopted in countries such as Uganda, Rwanda, Sierra Leone, and Timor-Leste.

## LONG-TERM HOLISTIC VISION OF THE DEVELOPMENT AGENDA

Implementing the CDF principles in conflict-affected countries is a process that aims to build consensus around national priorities that contribute to stability and peace and create conditions for formulating a long-term holistic vision. A transition to economic recovery and development must address many issues, including restoring justice, reintegrating combatants into society, reconciling differences, and gradually strengthening relations among government, the private sector, and civil society.

**Vision.** In peaceful countries, the long-term national vision focuses on achieving higher economic growth and standards of living. In conflict-affected countries the national vision is formed as a reaction to past grievances and strong desire for peace. Therefore, in conflict-affected countries, creating a long-term holistic vision means that society must come to grips with its past by analyzing the causes of the

conflict and undertaking an inclusive process of national dialogue to build consensus about the future of the country as a harmonious, peaceful society. Such an overall vision serves as a solid foundation for elaborating strategies that focus on the medium-term horizon by setting annual priorities for the budget process.

**Dual Challenge.** The post-conflict situation presents a dual challenge—balancing short-term needs for reconstruction and stabilization with medium- and long-term needs for structural changes. The government has to focus simultaneously on the short-term needs of consolidating peace and preventing any renewed conflict, building confidence, and promoting consensus on the way forward, and the long-term needs for growth and economic development. This requires creating institutions, establishing constitutional and legal foundations, and building capacity, not only to maintain balance between the parties to the former conflict, but also to broaden political participation and implement policies that are responsive to vulnerable groups. The post-conflict period is a critical time during which internal stability and cohesion is of paramount importance. But in Africa, the complexity of the post-conflict situation is amplified by the unfinished nation-building agenda. In the post-conflict transition for Ethiopia, Rwanda, Sierra Leone, and Uganda, the CDF principles provided relevant guidance for immediate needs such as humanitarian relief, rehabilitation and disarmament, demobilization, and reintegration (DDR). The CDF principles also guide the long-term process of engaging in national dialogue to strengthen relationships among communities, government, the private sector, and civil society, and to build consensus about the national development priorities and the governing institutional framework. Striking a balance between short- and medium-term goals is critical to satisfying the immediate humanitarian needs while stabilizing the macroeconomic framework and building the institutions that can carry and sustain the continuity of the process.

**Stages of Political and Economic Development.** National long-term vision is built in stages by moving from peace to nation building and economic development. In post-conflict societies in particular, a critical stage in formulating a long-term vision is fulfilling societal expectations that justice will prevail by visibly enforcing new laws and policies. Regardless of whether the shared vision is based on rebuilding the nation, or creating a new nation state and then rebuilding the economy, the challenge is to work simultaneously on both political and economic agendas. An effective state addresses the issues of representation, power sharing, and capacity for service delivery. These elements are embodied in the medium-term development strategy through strengthening parliamentary oversight

### Box 2. Developing a Long-Term Vision

**Rwanda participant:** “In the post-conflict countries, in most cases, governments came in as liberation movements, with ideologies and with programs. In our case, the liberation movement was on the front of the political agenda. But it started by building a government of unity, meaning all other parties in the government as well. And before embarking on long-term strategies, there was a one-year consultation, including closed consultations among those key players, to come up with what we do with justice—what methods do we use? How do we balance issues so that no one is feeling dominated or excluded from the process? Then we moved on to the economy. Now we are building that vision together. Different political parties are all part of our country’s Vision 2020.”

of the executive branch, building the capacity of the judiciary system, rebuilding the public institutions, and improving economic management.

**Unique Circumstances.** The development community must understand and respect the context of each post-conflict situation: there are no “recipes.” In some cases, the country may need to revise the constitution or to adopt a new one, as in Ethiopia, to reflect a societal consensus on broad principles and procedures to deal with difference and discord. In Rwanda, although the long-term vision and strategy was prepared by a small group of people, it was discussed in different fora; four years later it is still under revision, but it will eventually be approved by parliament. The participatory process is making

it a real vision for nation building. In Uganda, the long-term vision was developed through a wide-ranging dialogue about the country’s development priorities. Sierra Leone focused its national dialogue on developing a post-conflict development agenda that consisted of two components: an immediate post-conflict transitional phase (2001–02) and a medium-term development strategy (2003–05) for identifying the sources of growth and building institutional capacity.

**Sequencing Economic Recovery and Development.** In a post-conflict situation an immediate priority is reviving communities through minimum economic and social security, such as delivering basic social services, improving local governance, and strengthening public administration. But equally important is the promotion of activities that generate pro-poor growth and raise people’s incomes so they can buy essential services. For example, while education is key to the future, in the short term, it is more important to create conditions for people to restore their livelihoods. However, reaching agreement on priorities for economic development requires alignment of the goals of government, non-governmental actors, and international development partners to achieve synergies. In Rwanda during PRSP consultations, rural communities’ priority was rural development, but urban communities insisted on public administration reform as their priority. In the case of Sierra Leone, community budget oversight committees were established to improve governance—citizens were involved in budget preparation at the community, district, and regional levels. At an early stage of the transition process this initiative enhanced the ownership of the national budget process and created a demand for greater accountability—from formulating to implementing and monitoring for results.

### COUNTRY OWNERSHIP

Building broad-based country ownership of the long-term vision and development strategy is the keystone of the four CDF principles. Building ownership is an essential process to allow a country that is emerging from conflict to reform at the pace society can handle peacefully. In a post-conflict situation there are winners and losers, and the challenge is to bring stakeholders together into an all-inclusive process of political and economic planning and change. Ownership cannot be achieved quickly. It emerges

### Box 3. Pro-Poor Growth

**Roundtable participant:** “When we were conducting our poverty assessment in Rwanda, we visited many communities. We reached beautiful schools and hospitals—but there were no people. When we went to talk to the people they said ...that [the hospital] was too expensive, and that the kids were not going to school because there was a food shortage—they were too weak to go and attend school. So, money was invested to provide facilities, but nothing was done to help the people to have enough income to access the facilities. Then we went to another community where the government has never built a school and has never done anything, but where coffee grows and where most of the people are involved in coffee trade. They have private schools built by parent associations. Then I got the logic—if you help people to be productive, to raise their incomes, they can even reach a point to build what they need. A community built a leisure facility where they go to dance, sing, and talk, and [there is] a playground for kids because they feel they need it and they contribute to do it on their own. But if they don’t have income, even if they have the facilities, even if the prices are reduced, it does not guarantee access or utilization of the facility. So pro-poor growth is key in transforming the society, and especially the transfer of knowledge.”

gradually by building trust and re-building the social capital through consultation and participation in the peacemaking and reconciliation processes, and during the design and formulation of the development strategy, including the building of political and economic institutions.

**Meaningful Participation.** Ownership does not follow automatically from a process of consultations. Citizens must begin to see the link between the planning process and the delivery of measurable improvements in their living conditions, hence the importance of formulating outcomes, specifying roles and responsibilities, and—perhaps most important—managing the expectations of all stakeholders. Roundtable participants were unanimous in that the only meaningful participation is that which has a broad base among stakeholders, including civil society. So-called “mobilized” participation will ultimately fail because it is driven by the authorities and usually takes the form of support for a development agenda put forward by the leaders, sometimes in response to the requirements of the donor community.

- **Ethiopia.** During the planning phase communities were highly engaged and committed, but levels of participation fell during the implementation phase. Consequently, new forms of consultations were piloted at the district level, moderated by nongovernmental agencies rather than government officials. Community groups perceived this change as an expression of respect for their views and opinions; participation increased, as did a sense of ownership of the policies and the implementation process.

- **Rwanda.** The country changed the nature of its consultative process to curtail expectations that were unrealistic in the aftermath of the war. Local communities were asked to address their common concerns and the process evolved into a capacity-building and empowering exercise in which communities prepared their own development plans and kept expectations to achievable levels.

**The Value and Limits of Dialogue.** The process of building ownership creates opportunities for national leaders and citizens to engage in dialogue about the national vision and strategies. In post-conflict societies, dialogue generates, mobilizes, and reinforces positive energies that can help establish and legitimize the governing institutional framework that is essential to the peaceful resolution of the conflicts of interest that inevitably arise. An open national dialogue provides the environment for the differing expectations of stakeholders to evolve into a sequenced strategy that involves clear trade-offs. One of the objectives of the national dialogue is to bring all economic activities into the mainstream, including those of the contending power groups. In many instances, the dialogue or initial rehabilitation efforts break down because there is a perception that the governing authorities or international actors are not treating all stakeholders equally. Ownership and commitment to the dialogue can be achieved only if the losses and costs for segments of society are considered, and if a transparent institutional mechanism is established to address and settle disagreements without threatening macroeconomic and political stability. Dialogue based on tolerance and patience builds common ground and creates

shared expectations for all stakeholders. Roundtable participants confirmed that early participation of all national stakeholders in a dialogue about the future of the country and the immediate strategic priorities was key to sustaining peace and stability. Broad-based participation among political parties, parliaments, and local authorities are prerequisites for transparency and accountability. For example, the PRSP discussions should become an integral part of a larger participation in the national governance process to bring people together and focus on results.

**Defining the Stakeholders.** No post-conflict situation is neutral. In the immediate aftermath of conflict, defining the stakeholders is essential as the country must move in the direction of integration and inclusiveness precisely at a time when the democratic changes and new policies have the potential to be divisive or create added conflict of interests. For example, the army, liberation front, or rebel faction comprises an interest group that is organized and has its own program, agenda, and instruments for reaching its goals. It also has champions and solidarity groups. In practical terms, the main question is under what conditions this group is prepared to lay down its arms and participate with other stakeholders—including the government in power—in building ownership of the country’s development agenda. This is the juncture that requires a minimum common understanding on the main issues among all stakeholders: how to handle governance of the transitional process, address conflict legacies, and rebuild social capital and the economy. Dialogue based on tolerance and patience helps build common ground and shared expectations among all stakeholders.

**Leadership.** The quality and commitment of national leadership to bring peace and to embark on critical economic reforms have significant impact on the policy choices and the attitude of development partners. However, not all countries are able to display strong leadership and assertiveness and as discussions revealed, donors are sometimes more interested in the numbers and organizations involved in the PRSP consultations than in the nature, substance, or quality of participation, and the ownership of the policy choices. Such an approach reduces the value of participation to a box-ticking ritual. Roundtable participants also pointed out that most conflict-affected countries need assistance to manage the consultative process because a “learning-by-doing” approach could destabilize the process of building ownership.

**Legitimacy.** Elections are rarely possible in the immediate post-conflict situation, so agreement on minimum working arrangements among all stakeholders provides legitimacy for the transition process and those who lead it. Such arrangements provide a legal basis for the former contenders (army or dissident factions) to become a legitimate party to agreements with international entities for national rehabilitation, reconstruction, and other development activities. Frequently, postponing the elections enables the country to meet the immediate needs of its most vulnerable groups and establish the development agenda. The transitional administration/government consolidates and validates its authority through broad-based participation and consultation to build national ownership—a process of nation-building, or rebuilding.

#### Box 4. Leadership: Essential to Country Ownership

Countries with strong leadership in the consultation process promote more effective functioning of existing, sometimes fragile, democratic institutions.

**Rwanda:** “Countries that do succeed have good leaders who articulate a vision for the country, and who get people to follow them. If the hands of the leaders in Africa are tied up with a process of ritualized consultations, watching every step, seeing how many people participated, you’re not going to get that leadership. When people are consulted, they articulate a set of demands, or a set of needs and expectations. What is missing is the overall vision and the strategic priorities that take into account the constraints. If you ask people what they need, they need everything. That is where leadership comes in. Strong leadership helps the country to develop a vision and then gets the people to follow that vision.”

**Uganda:** “When we put the emphasis on ownership, we were trying to see how it affects the other CDF principles, like partnership and results, because that’s how you fail to have the process country-led—if you have dependency on aid. And that’s how you [get confused about] who to be accountable to because we could see that in the long run ownership affects the long-term vision and strategy, as well.”

- ♦ **Ethiopia.** Elections were not held immediately after the conflict because there was no constitution and no election laws to guide the process. It took time to shape institutions, define the legal boundaries of the electoral constituencies, and elaborate the electoral system. While the new constitution laid down democratic principles and procedures, it did not provide answers to all questions or build full consensus. Even though the constitution decreed land nationalization, the issue of land ownership remains divisive. The business community strongly believes that private land ownership should be allowed, and that land should be privatized. Another controversial issue is whether ethnic groups have the right to secede from the federation. However, there was national consensus in several areas: that nobody is above the law, and that the constitution provides the procedures for changes that may be required.
- ♦ **Rwanda.** The process began with creating a government of national unity that included all parties. For a year before formulating a long-term vision, key stakeholders undertook closed consultations to devise a plan for addressing the conflict issues, including justice. Special efforts were made not to create perceptions of domination or exclusion in the normalization process—all stakeholders were at the table, and all communities were included in a process that also dealt with the major challenge of reconciliation. Currently, Rwanda is undergoing a complex set of transitions, including the change from the Arusha Accord coalition of political parties to an elected parliament and president, from a centralized to a decentralized administration, and to a market-based economy.<sup>7</sup> Elections for national offices are planned for late 2003, and respecting the timetable and managing the process in a transparent and inclusive manner is helping to ensure the legitimacy of the new government.
- ♦ **Sierra Leone.** Elections were held a few months after peace was achieved. Because some areas of the country were under rebel control, the authorities applied a system of proportional representation. In the subsequent dialogue, all stakeholders were involved in and consulted about the next election processes. The district community elected representatives to parliament and because each district had equal representation there was a strong sense of ownership and legitimacy, qualities that were reinforced through community-based programs for the rehabilitation of basic infrastructure. Full participation at all community levels in policy design, implementation, and monitoring secured broad-based ownership of the development agenda that contributed to sustaining the peace process.
- ♦ **Uganda.** Elections were not conducted for 10 years after the conflict. During the transition period, through wide-ranging participation, five levels of councils were established—from the community and district level, up to the legislature—and leaders and civil servants graduated from one level to the next. This process created commitment to the democratic principles of participation, and built ownership of the development agenda.

**Aid Dependency.** Post-conflict countries are frequently highly dependent on external aid and this creates uncertainty about the legitimacy of the country ownership of the development strategy. There are strong perceptions that external financing can undermine the consultation process, which is sometimes viewed as donor-driven, and the strategy, which can appear to be designed to fit donor interests and priorities. Predictable levels of external assistance are critical to the success of the transition process, and international development partners must provide space for a genuine country dialogue and national strategy without interfering.

#### COUNTRY-BASED PARTNERSHIP

The international community is usually eager to provide assistance to conflict-affected countries. The national dialogue on the country's future and the development strategy (or PRSP) provide a useful country-owned common platform for launching development partners' support. Both the national dialogue and the PRSP anchor development collaboration and contribute to more efficient use of resources because they are organically linked to the national planning and budgeting cycles. However, in a period of transition, without strong government

leadership, the links among development support, national needs, and impact on the ground can be affected by the dynamics that accompany development assistance.

- ♦ External partners' interventions may inadvertently undermine local ownership of the development strategy and reform agenda.
- ♦ Although international partners are now responding more rapidly than ever, critical assistance may arrive later than expected.
- ♦ Maximum volumes of resources flow into the country when the national capacity to absorb them is weakest; by the time national capacity is strong, the aid flows have slowed to a trickle.<sup>8</sup>

### Box 5. Building Partnerships

Development partners often try to introduce participation or democracy in post-conflict situations from the premise that the world is a village—what works in Brussels can be applied in Kigali, or what works in London can work in Freetown. The essence of democracy is that whereas principles apply universally, institutions, systems, and procedures are country-specific. Countries need time and space to engage in national dialogue, to develop governance systems and practices that are inclusive and can accommodate various interests.

**Donor Coordination.** In the immediate post-conflict period when aid and its allocation are often critical for stabilizing the situation on the ground and consolidating the peace process, donor coordination is crucial. Countries emerging from conflict lack institutions, data, planning and monitoring systems to support the process of coordinating assistance. Aid effectiveness is seriously undermined by different donor policies, procedures, and practices in delivering assistance.

- ♦ Each development institution (United Nations system, the World Bank Group, the Regional development banks, the European Union, and Bilateral donors) has its own planning cycles and instruments, which means that conflict-affected countries suffer the additional burden of struggling to cope

with different terminologies, procedures, delivery mechanisms, and timeframes. Development partners also prepare different assistance strategies, and visions for the country's development that are sometimes conflicting, competing, or misaligned with the country's national goals.

- ♦ Donor coordination requires that development partners align themselves collectively with the national strategy by accepting government leadership in the coordination process. They need also to ensure the availability of financing, and consistency and coherence among essential components of external assistance at the national, sectoral, or regional level.
- ♦ External partners should focus their support on an inclusive national dialogue, analysis of the causes of the conflict, a needs assessment, and, in particular, transfer of knowledge and expertise to build national institutions. These processes require capacity building so the country can lead the transition to peace and sustained development.
- ♦ External assistance should be integrated with the country's general economic management framework. Linking assistance to achieving targeted outcomes creates more coherent and realistic planning and, in the face of competing needs, ensures that services are delivered to the most needy segments of society. This includes commitment to improving the country's implementation and monitoring capacity by coordinating efforts for capacity building, including the capacity for collecting data on poverty.

**Transparency.** A constant flow of information among government and donors should include regular consultations with the private sector and civil society to build trust, increase transparency, and share responsibility among stakeholders for working toward the national development agenda. Information silos prevent the flow of information among government ministries and development partners, fragmenting the development strategy, dissipating the resources, and eroding the impact. Ethiopia, Rwanda, Sierra Leone, and Uganda are addressing donor coordination by establishing national coordinating units and partnership frameworks, or both, to improve transparency and information flows.

### Box 6. Institutions for Donor Coordination

**Ethiopia.** The government prepared a framework document, “Partnership for Enhanced Aid Delivery” that was presented at a Consultative Group meeting in December 2002, and a joint Government-donor task force was formed to take the implementation of the poverty reduction strategy and the wider harmonization agenda forward, by developing a prioritized action plan.

**Rwanda.** The Third Rwanda-Development Partners Annual Conference (Kigali, December 2002) endorsed a PRSP Partnership Framework.

**Sierra Leone.** The government and its partners have setup a Development Partnership Committee, chaired by the vice president, to coordinate and manage external developmental and humanitarian assistance, and to review progress in the implementation of the Framework for Peace, Recovery, and Development, and of the PRSP.

**Uganda.** The Ministry of Finance, Planning and Economic Development has prepared Partnership Principles between the Government of Uganda and its development partners to guide development assistance.

### FOCUS ON DEVELOPMENT RESULTS

The application of the fourth CDF principle in conflict-affected countries—focus on development results—was examined from the perspective of making those in power accountable to citizens, and making national actors and development partners mutually responsible for development outcomes. The emphasis was on the need to manage for results through (a) improving accountability and information systems that give stakeholders access to information and the power to influence the development process; and (b) using the outcomes as a management instrument to obtain feedback to help fight corruption.

**Functioning Systems.** Post-conflict societies need to establish systems for monitoring development outcomes and making information on progress widely available to create accountability among national leadership. Corruption is both a cause and an effect of conflict. Lack of accountability leads to poor governance, denial of fundamental rights, lack of access to natural resources, economic mismanagement, social exclusion, the collapse of national institutions, the breakdown of state secu-

rity, and the misappropriation of resources. Fostering openness, accountability, and civil society participation are goals in the post-conflict governance process to rebuild trust and reconciliation. This requires functioning systems to undertake diagnostic analysis, monitor outcomes, and formulate policies on the basis of solid data.

- ♦ **Ethiopia.** Over the last four years, Ethiopia has developed a poverty monitoring system that includes household surveys aimed at consolidating sector information on basic service delivery. While this system is still under development, the government is undertaking steps to introduce a participatory PRSP evaluation system, including an agreement for a common donor-supported program for capacity building.
- ♦ **Rwanda.** The PRSP set out a comprehensive system for monitoring poverty reduction outcomes, including the use of household living standards surveys, public expenditure tracking surveys, and others. In addition, Citizen Report Cards have been introduced to assess citizens perceptions of public sector policies and performance—specifically public service delivery. Information from the poverty-monitoring system is available in documentation centers and decentralized administration offices. Actions have also been taken to strengthen the institutional framework for monitoring the budget and poverty/social indicators to ensure timely availability of data for performance reviews—especially in the health and education sectors. The budget has been computerized, which will facilitate regular report on government expenditure commitments and payments. The statistics and management information systems are being strengthened in ministries that monitor outcomes in health, education, and agriculture.
- ♦ **Sierra Leone.** The government has developed a participatory outcomes-based monitoring system to track the flow of public funds—including HIPC funds—to intended beneficiaries. These public expenditure surveys use quantitative and qualitative criteria, established in consultation with civil society, to track expenditures and evaluate improvements in service delivery.<sup>9</sup> The public financial and accounting management

information system in the Accountant General's Department has improved accountability and transparency in the use of public funds.

- ♦ **Uganda.** The country has a National Poverty Monitoring and Evaluation Strategy to track progress in implementing its Poverty Eradication Action Plan (PEAP) and to streamline government monitoring and evaluation systems. Several mechanisms to review implementation and results are in place—the budget framework process, the Public Expenditure Review, The Consultative Group, and regular donor meetings. Also NGOs regularly review the performance of the Poverty Action Fund [Heavily Indebted Poor Country (HIPC) resources]. Several steps have been undertaken to improve communication between the government and the public. The Ministry of Finance, Planning, and Economic Development is implementing a Medium-Term Communication Plan that was widely discussed in 2001 with government agencies, civil society, and the donor community. Furthermore, a series of publications aimed at empowering the public to demand accountability has been translated into seven major local languages, and disseminated at national and district levels: “Citizens Guide to the Budget,” “Citizens Guide to the Budget Process,” and “A Glance at the Budget.” The Finance Minister gives a monthly press conference to update the public on important policy issues. To increase transparency and accountability, it is mandatory to post notices in schools and health facilities of monthly funds releases. Also, public debates on corruption significantly increased accountability. Of the 15 FM radio stations, 8 hold public phone-in programs that allow anyone to comment on any issue—a minister whose performance is poor, a project, or local service delivery.

#### **Strengthening Accountability Systems.**

Establishing systems for tracking the results of external assistance is usually carried out in parallel with improvements in the fiduciary systems in the recipient countries. In a post-conflict environment, demonstrating results from donor funding is a challenge. The focus is on aid quality and results, and on identifying measures that donors should implement to

support monitoring process improvements. This involves linking quality assurance systems and standards, results-based measures, and aid allocation practices. One of the most important aspects in the post-conflict situation is managing the reconstruction projects by increasing transparency and accountability. Building the tender systems, and procurement practices and improving the management of projects and the flow of funds are key priorities. In the four post-conflict Roundtable countries, the governments have focused on building the auditor general's office, and the justice system, and the involvement of the parliaments in addressing the issues of corruption, by strengthening or creating anti-corruption commissions, and establishing transparent fiduciary systems. The involvement of the media in fighting corruption and increasing the participation of the general public in the governance of the reconstruction process had dual positive impact—increased both the freedom of the press and the accountability of those in power. However, post-conflict countries have a very low capacity for investigative journalism, and donors may need to help countries build the capacity of the journalist community.

#### **Accountability for Development Outcomes.**

Assisting countries in the post-conflict environment to build transparent mechanisms, “voice” or public participation and incentive-driven accountability systems can contribute significantly to sustaining the efforts of these countries' societies for continuous checks and balances on traditional public institutions, and leveling the “influence” playing field. Accountability to the public, and direct feedback from the public, serve as a reality check along the development path, and help make development policies more effective and focused on improved outcomes on the ground.

#### **NOTES**

6. This system has evolved over time, as understanding of the challenges faced has improved. Its coverage has expanded from the original pilot group of 12 countries to 48 low-income countries (with an Interim-PRSP or PRSP), including 15 conflict-affected countries. The assessment is based on information gathered from several sources: World Bank country team members, documentation prepared in the context of the PRSP (including Joint Staff Assessments), Country Assistance Strategy documents, visits to selected countries, roundtable discussions on implementing CDF principles, and views contributed by development partners—bilateral, multilateral, and UN. See *Getting Serious About the*

*Millennium Development Goals. A CDF Progress Report*, OPCS, July 2003.

7. Referendum on the New Constitution was held and the organic law governing presidential and parliamentary elections was adopted by the National Assembly in June 2003.

8. In “Aid, Policy, and Growth in Post-Conflict Societies,” (World Bank, May 2002), Paul Collier and Anke Hoeffler show that during the first three post-conflict years absorptive capacity for aid is no greater than normal. However, in the next seven years absorptive capacity is double its normal level and there is an average annual spurt in economic growth of around two percentage points. Accordingly, the ideal pattern of disbursements should rise during the first four post-conflict years and then taper back to normal levels by the end of the decade. In practice, aid commitments tend to be highest right after the end of the conflict when the country is in the news headlines.

9. The interactive budget process was introduced with the participation of community leaders from villages, chiefdoms, towns, parliamentarians, and line ministry staff. This approach improved the understanding of how resources were allocated, and what are the expected outcomes were. The public expenditure tracking survey helps find out what services are delivered on the ground. This information is compared with the information from the line ministries and is made public – presented to parliament, the cabinet, and donors. To systematically track external assistance, a Donor Assistance Database is being built to help the government monitor and analyze the flow of funds all the way down to the chiefdom level.



# SUDAN: LESSONS FROM THE ROUNDTABLE DISCUSSION

The CDF holistic approach could provide guidance for international assistance to Sudan, particularly during the early phases of the post-conflict period when the country must set up conditions for the medium and longer term to conduct a credible PRSP process. The CDF approach can help create such conditions by underpinning the peace-building, rehabilitation, and reconstruction process. This section summarizes lessons for Sudan emerging from Roundtable discussions. Because the Roundtable participants have experienced different stages of post-conflict development, they were able to provide valuable insights and guidance for the transition to peace in Sudan. Participants stressed three major points:

- **Conflict analysis.** Signing a peace accord does not create peace. Until Sudan conducts a thorough assessment of all the sources of conflict at the national, regional, and local levels, and takes steps to resolve them, peace will not be secured.
- **Comprehensive approach to security.** Security remains an issue because there are many disparate factions with a wide array of

motives for remaining in conflict. The country must take a comprehensive approach to disarm, demobilize, reintegrate, and help these factions build a means of earning their livelihood.

- **Access to resources.** A widening gulf exists between rich and poor. Sudan must resolve the issue of sharing resources equitably, managing resources for the long term, and addressing constraints on capacity to carry out these tasks.

## CONFLICT ANALYSIS

Beneath the surface of the 20-year war in Sudan are many layers of long-standing grievances among communities and ethnic groups.<sup>10</sup> These deep-seated grievances are unlikely to disappear in response to the end of the war, but the process of transition to peace will offer increased opportunities to address them. Efforts aimed at decentralization and local empowerment will reinforce the need to work collectively to maintain the peace.<sup>11</sup>

**Knowledge Gaps.** Sudan and the development community face profound knowledge gaps. Social disruptions and displacement have shaped society, created disunity, and changed perceptions. In the post-conflict and transition situation, Sudan must address knowledge gaps including lack of the following:

- Statistics or organized data;
- Assessments of existing capacity, and capacity needs;
- Inventory of local civil society organizations;
- Requirements for disarmament, demobilization, and reintegration of all armed groups; and
- Requirements for capacity development, rehabilitation, and empowerment of communities.

## COMPREHENSIVE APPROACH TO SECURITY

Curbing weapons proliferation is central to stabilizing security. This requires a comprehensive approach that includes the disarmament of armies, militia, and

### Box 7. The War in Sudan: An Outsider's View

The parties to Sudan's civil war are often portrayed from perspectives of religion, nationalism, or principles of unitary states. The reality, however, is that the war is about resources—who will control and profit from them. And, as is increasingly clear, this will be a key determinant of peace. The civil war in the South represents the struggle of the new Southern political elite for a share of the power and resources. Recognizing this will increase the prospects for peace, as both sides are under pressure to agree on a formula to share the power and the country's key resources. At the same time however, there is concern on the government side that this may lead to further demands from other peripheral regions.

the civilian population. Disarming communities and tribes will be difficult, particularly in Southern Sudan where livestock theft is common across borders shared with Kenya and Uganda. As in most post-conflict countries, a comprehensive approach to security means that security issues must be addressed not only inside the country but also in the wider regional context.

- ♦ **Comprehensive disarmament and reintegration of armed groups.** All armed groups must be disarmed and reintegrated with society so that they can earn a livelihood without resorting to the use of arms. Retraining, education, and access to a livelihood are key. In 1972, at the end of the first civil war in Sudan, the country failed to undertake a comprehensive DDR process, a failure that contributed to a resurgence of violence. International partners can assist by supporting a wide-ranging reintegration of all ex-combatants.
- ♦ **Mine action.** Land mines are an immediate concern to enable resettlement of displaced populations and revival of economic activity. Mined territory, especially in Southern Sudan, has to be addressed early on with mine awareness and risk reduction campaigns, including minefield surveillance, mapping, marking, and clearance. Civil society groups can mount awareness and demining campaigns, and assist mine victims with rehabilitation, reintegration, and employment programs for disabled persons.
- ♦ **Child soldiers.** Sudan needs a comprehensive rehabilitation and reintegration program to return child soldiers to school and normal life.
- ♦ **Regional dimension.** The conflict in Sudan has been the longest active war on the African continent. There are roles in the peace process not only for the government and the SPLM/A, but also for other organizations, particularly regional ones. Involving the region could be a powerful opportunity to change attitudes and create mutually beneficial linkages to lessen the danger of renewed conflicts.

#### ACCESS TO RESOURCES

Once a peace settlement is reached, Sudan will face multiple challenges, including formulating a devel-

opment strategy to address the underlying causes of the conflicts, particularly the competition for resources at the local level, regional inequity, and community empowerment.

- ♦ **Economic recovery and development.** Sudan needs to have a plan for economic recovery in place even before the peace is fully secured. In Southern Sudan the destruction of physical assets, disruption of trade links, and loss of human capital are pronounced. The post-conflict agenda must address the economic legacy of militarized and divided societies, widespread displacement, large proportion of female-headed households, changes in traditional social safety nets, and almost nonexistent institutional capacity.
- ♦ **Enabling environment for growth and employment.** To support economic and social development, and to allow civil society and private sector to resume productive activities, development partners need to help Sudan with all aspects of education, infrastructure, and private sector development. For example, literacy rates must be improved and the next generation of leaders must be educated. Infrastructure should be addressed from a security and economic point of view by focusing on regional integration and creating better links with neighboring countries. Trade and investment must be promoted, and incentives offered for people who have left the country to come back and help rebuild the country. The diaspora can be a positive force to help in a peaceful rebuilding.
- ♦ **Addressing the capacity constraints.** Local civil society groups could step in to fill gaps temporarily while the issue of capacity is addressed more holistically. In Southern Sudan in particular, local Civil Society Organizations present one of the few possibilities to fill the education void at the local level. Sudan could invest from the very beginning in rehabilitating and enhancing the capacity of civil society organizations by supporting their networks to enhance exchange of information and ideas, and by collaborating on data collection and research in such areas of immediate need for restarting economic life as demobilization, mine action, or education programs.

**NOTES**

10. The Government of Sudan and the Sudan Peoples Liberation Army (SPLM/A) agreed in principle in July 2002 to end almost 20 years of conflict in Southern Sudan and to initiate self-determination for the South. The intention is, after six years, to hold a referendum, which could lead to secession. In the meantime, power and resources would be shared, and further arrangements would be worked out in detail through ongoing negotiations for the peace process.

11. The government in Khartoum is likely to use the six-year transition period to build broader constituencies, thereby reducing the likelihood of secession. This will require that the people in the South see considerable progress toward improved governance and economic development, particularly close to home. In the South, the SPLM/A will be obliged to demonstrate to its constituents benefits from the transition—rehabilitation, reconstruction, and development. However, the proliferation of arms, and armed groups could derail the peace agreement in the South without concerted efforts to first achieve complete disarmament, and then some observable signs of development.



# 4 LESSONS FOR DEVELOPMENT PARTNERS

This section discusses some of the issues that stakeholders, including development partners, need to consider in the rebuilding period after conflict. Faced with urgent and conflicting priorities, few resources, low capacity, weak institutions, and communities that cannot meet their basic daily needs, conflict-affected countries are engaged in a constant struggle to maintain balance. Part of the balancing act involves working holistically—simultaneously in several directions—consistent with the CDF approach. The CDF principles focus on processes and relationships, which provide the overall setup for the myriad tasks that nation building and rebuilding require. The three major issues for consideration by stakeholders and development partners are developing a strategy, aligning donor support with country strategy and capacity, and maintaining a regional perspective that includes borders and neighboring countries.

## STRATEGY

Countries emerging from conflict need time and support to build consensus on national priorities and ownership of the reform process. In the immediate post-conflict period, the country must work on parallel tracks. It must meet emergency needs for relief, rehabilitation, disarmament, demobilization, and reintegration by promoting minimum economic and social security. And it must engage stakeholders in a national dialogue about the future that aims to strengthen relationships among citizens, government, and the private sector. This two-track approach builds consensus about the national development priorities and the governing institutional framework. Some of the components are as follows:

- **PRSP.** Many low-income countries view the PRSP as a stepping-stone to concessional assistance, debt relief, and development support. Conflict-affected countries need the resources that a PRSP can mobilize, but cre-

ating a credible PRSP process and strategy requires adequate levels of peace and security, a functioning government, an atmosphere of trust, and—perhaps the greatest constraint—adequate time to ensure meaningful participation from all stakeholders. In a post-conflict situation, many transitional issues that affect macroeconomic stabiliza-

### Box 8. PRSP Process and Participation

In the case of Sierra Leone, the preparation of a full PRSP is seen as an opportunity to consult the people and at the same time build mechanisms at the grass roots to establish a process to formulate programs that address their issues. Otherwise, consultations create high expectations that cannot be achieved, and this is detrimental to building ownership of the development strategy. If these programs are linked to delivering specific results, ...the entry point for owning the strategy [is much closer]. Participation in the context of PRSP should not be measured by the number of NGOs who participated in the discussion, numbers of donors, etc., [instead it should be measured by]...how the country men and women in the hills, in the villages, take forward the process, and how they create social mechanisms that help them to cope with the problems within their own communities. There is consultation fatigue that could discredit the entire concept of participation and consultation, which is exactly what should be avoided.

tion and the overall environment for economic reforms must be addressed, including meeting the criteria for access to HIPC debt relief and setting priorities for reforms.

- **Two-stage approach.** In post-conflict countries, as a “prelude” to the PRSP, a period of consolidating the peace and stabilizing the

economic and political situation is needed. In Ethiopia and Uganda, applying CDF principles early in the peace process laid the groundwork for establishing a common vision and, later, for formulating a credible PRSP. In Ethiopia and Rwanda, the leadership commitment to peace and economic reform had significant impact on the quality of policy formulation. In Ethiopia, the adoption of a new constitution addressed the past grievances, while the economic policy focused on poverty reduction in the rural areas before preparing a PRSP. In Sierra Leone, an Interim PRSP was quickly prepared to gain access to debt relief, specifically addressed the transition from war to peace. Uganda focused on the role of the private sector in providing rural services.

- ♦ **Disarmament, demobilization, and reintegration.** The process of demobilizing and reintegrating armed factions contributes to building ownership of the national development strategy and reduces the risk of renewed conflict. A DDR program needs to be designed on the basis of the vision about the future of the country, and on the future of the armed forces of all parties to the conflict. DDR programs require transparent and efficient management, and monitoring and accountability, particularly for dealing with the proliferation of small and light arms. For example, in Sierra Leone, the government troops, the militia, the rebels, and the civilian population were all disarmed to create confidence in the process, and the government soldiers—from the head of the army down to the junior officers—were retrained. In Ethiopia, the generals were not demobilized along with the rank and file, and this contributed to the return of instability.
- ♦ **Leadership and governance.** An objective of the national dialogue is to bring all economic activities into the mainstream, including those of rival factions. In many instances, the dialogue or initial rehabilitation efforts break down because of different, or inequitable, treatment of all stakeholders by the administration in power or by international actors. There are strong perceptions that the dependence on external financing can undermine the country's ownership and the choices and priorities the countries select.

Even the consultation process sometimes is viewed as donor-driven, and the strategy designed to fit donors interests and priorities.

#### ALIGNMENT

Alignment is a theme that runs through all aspects of development work in post-conflict countries.

- ♦ Development partners' support must be aligned with the emerging country strategy and with one another through coordination of policy support and harmonization of operational procedures.
- ♦ Collectively, donor support must be aligned with the country-owned strategy and roadmap that sets the development agenda and goals.
- ♦ The development agenda must be aligned with country capacity, and recalibrated as progress is achieved.
- ♦ Financing modalities, instruments, and conditions must be aligned with the country strategy, policies, and capacity. The financing methods should be explicitly aligned with the policies they support and predicated on the country planning processes and procedures.

**Consultation.** Development partner interventions should result from consultations between national and international stakeholders, and assistance should be transparent and results-oriented. Unless donors' contributions to various sectors of the economy are integrated with the strategic agenda and overall framework of reconstruction, development results will be limited. For example, some development partners focus on the post-conflict reconstruction even though active conflict still exists and the causes of conflict have not been addressed.

**Donor-driven development.** Capacity constraints in conflict-affected countries are real, but external partners should not use them to justify providing technical assistance as a condition for the financing, and especially without coordinating it with other partners. There is need for a serious dialogue among external partners on finding efficient solutions to the provision of strategic capacity-building support to these countries, including coordination with the government and/or among its agencies.

Building economic management systems should have high priority, as should consultative, advisory, and well-coordinated capacity-building processes and programs that rebuild and improve the interaction and complementarity between the state, the market, and civil society.

**Partnerships.** The government must facilitate partnerships with the private sector and civil society organizations. Partnerships with the private sector can yield significant inputs for economic policy formulation and implementation, and can create synergies with development assistance.

**Financing.** It is difficult for countries dealing with many transitional issues to have realistic implementation plans if resources are unpredictable. In post-conflict countries, it is critical to finance immediate needs such as DDR and social services. To accomplish this, donors usually support international relief NGOs or United Nations organizations to deliver services at the local level; or they may provide bilateral assistance, which can be politically motivated and not aligned with government priorities. Directly executed rehabilitation programs can undermine government ownership of the post-conflict agenda, and threaten program sustainability and results on the ground. While budgetary support is a method of financing that supports the government leadership and ownership and makes more efficient use of funds, it is difficult to improve government capacity quickly enough to manage aid flows. The governance of the public finance systems, and the capacity to respond to the donors' needs for monitoring and accountability need significant strengthening.

**Country Capacity.** Multilateral institutions impose specific constraints on funding to countries emerging from conflict. Lack of harmonization among these institutions' programs, policies, and conditions not only creates problems for monitoring progress but also increases the burden on the government, strains limited capacity, and undermines country ownership of the development strategy or PRSP. Among conflict-affected countries, there is a strong perception that imposing requirements for in-country consultations and review of the PRSP participatory process is the equivalent of a new type of conditionality aimed at countries that are highly dependent on aid, or are seeking debt reduction. The countries emerging from conflict need assistance for building institutions that can support their transition to peace and sustainable development.

## REGIONAL PERSPECTIVE

The application of the CDF principles in conflict-affected countries revealed the need for going beyond national borders and introducing a regional focus when building a development vision and strategy. Peace and prosperity cannot prevail if neighboring countries are at war, and regional relationships can be the source of violent discord or an opportunity for economic cooperation and development. Therefore, regional focus should be included in the dialogue about post-conflict assistance and development programming.

**Needs in Africa.** In Africa, international development partners need to rethink their piecemeal approach to reconstruction and development, and put more emphasis on addressing the overall development by focusing on infrastructure, communications, transportation, which are constraining private sector growth—including small business development—and hindering poverty reduction, particularly in the post-conflict, and least developed countries.



# 5 CONCLUDING REMARKS

The Roundtable discussion with practitioners from conflict-affected countries has made a contribution to improving understanding of how the CDF approach can help the development process specifically in countries undergoing a transition from conflict to peace. Three issues emerged as critical for the development community to take into account: post-conflict assistance should be rapid; the development process should be country-led; and donor programs should be aligned with the country strategy and well coordinated to reduce the burden on the country's limited capacity.

**Country-Owned Strategy.** The CDF approach places countries at the center of the development process and emphasizes country ownership through broad-based national dialogue for creating a long-term vision and development strategy. The country-owned strategy provides guidance for the Bank and development partners to align their assistance with country-defined priorities, in a coordinated fashion that maximizes development effectiveness.

**Credible PRSP.** Applying CDF principles in conflict-affected countries has helped create conditions for a credible process with which to formulate and implement a poverty reduction strategy, and to address the underlying causes or perceived causes of conflicts by bringing people together to build consensus about development goals and strategies. This enables them to focus simultaneously on stabilizing the economy, consolidating and maintaining peace while carrying on a national dialogue about development priorities and how to achieve them. In the immediate post-conflict environment, each country needs to balance the demands of immediate humanitarian needs with longer-term goals of macroeconomic stability, growth, and building institutions that can carry and sustain the development process.

**Partnership.** The CDF approach means that international partners focus on aligning support with the emerging country-led national strategy that sets the reform agenda and the reconstruction and

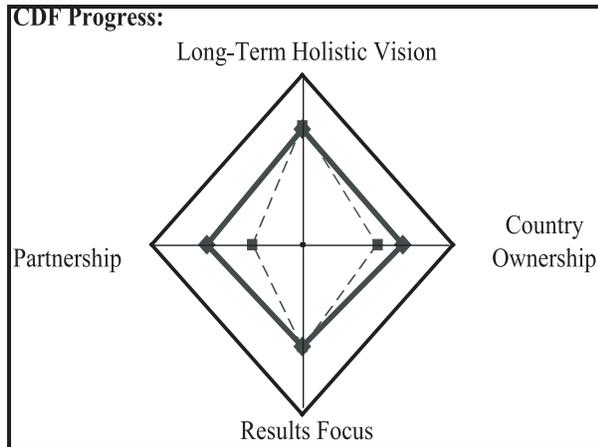
development goals. Dialogue and engagement help sustain the efforts required to strengthen operational partnerships and to evaluate and adjust support for emergency, security, humanitarian needs, reconstruction, and development. This partnership will help ensure consistency with the Bank's mandate, and provide uninterrupted assistance along the continuum—from peace to recovery to sustainable development—by using the strengths and comparative advantages of all partners.



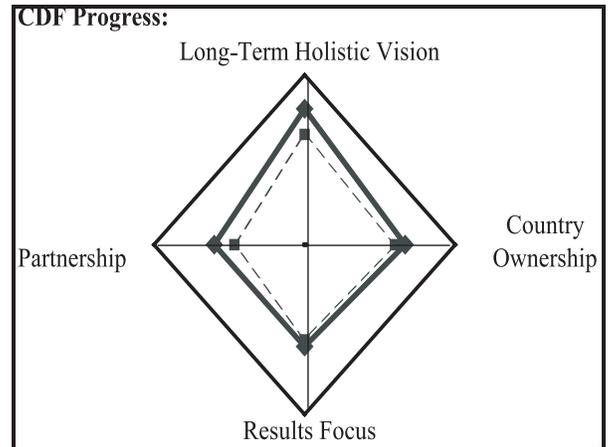
# ANNEXES

## ANNEX 1. CDF IMPLEMENTATION RANKING OF ROUNDTABLE COUNTRIES

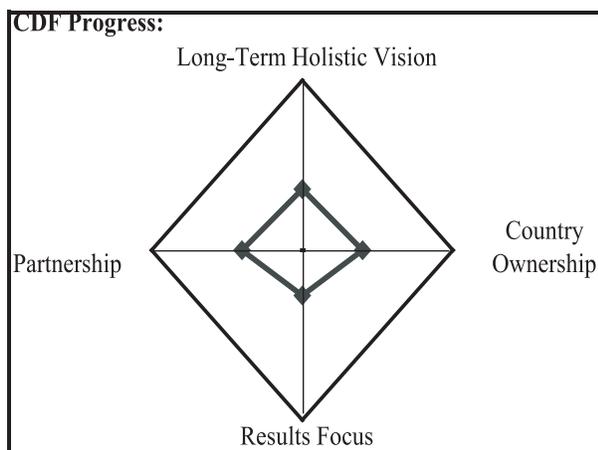
### Ethiopia



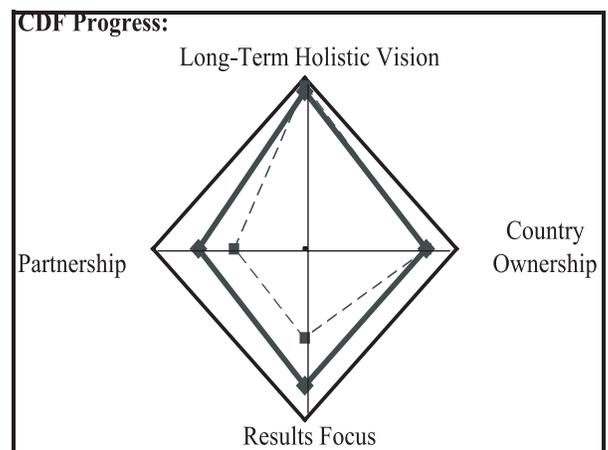
### Rwanda



### Sierra Leone



### Uganda



CDF Progress: Average of progress against those assessment criteria relevant to each principle:

----- = July 2001 assessment  
 ————— = January 2003 assessment

## ANNEX 2. CONFLICT STATUS OF SELECT COUNTRIES

<i>Country</i>	<i>Non-conflict</i>	<i>Post-conflict</i>	<i>Conflict-Affected</i>
Albania	x		
Armenia	x		
Azerbaijan			x
Benin	x		
Bolivia	x		
Burkina Faso	x		
Cambodia		x	
Cameroon	x		
Cape Verde	x		
CAR			x
Chad	x		
Congo D.R.			x
Cote d' Ivoire			x
Djibouti		x	
Eritrea			x
Ethiopia		x	
Gambia	x		
Georgia			x
Ghana	x		
Guinea	x		
Guinea Bissau			x
Guyana	x		
Honduras	x		
Kenya	x		
Kyrgyz Republic	x		
Lao PDR	x		
Lesotho	x		
Madagascar		x	
Malawi	x		
Mali	x		
Mauritania	x		
Moldova	x		
Mongolia	x		
Mozambique	x		
Nicaragua	x		
Niger	x		
Pakistan	x		
Rwanda		x	
Sao Tome e Principe	x		
Senegal	x		
Sierra Leone		x	
Tajikistan		x	
Tanzania	x		
Uganda	x		
Vietnam	x		
Yemen	x		
FR. Yugoslavia		x	
Zambia	x		

ANNEX 3. CDF IMPLEMENTATION RANKING

