Clarifying Challenges in Conflict and Post-Conflict Settings

In recent years, the Bank has taken on an expanded role in conflict settings. The purpose of this note is to provide Bank staff with basic information about the challenges associated with conducting operations in conflict and post-conflict settings.

Accordingly, the note aims to:
- clarify the concept of conflict;
- outline the Bank’s role in conflict and post-conflict settings;
- highlight the characteristics of conflict and post-conflict states; and
- present some of the common implementation challenges in these settings.

**THE CONCEPT OF CONFLICT REVISITED**

There is a common misconception that conflict is synonymous with violence. While violence is the most extreme form of conflict, it is not the only variety.

- Conflict is inherent to all societies. Indeed, differences in interests and opinions between groups are natural.
- However, the manner in which interests are pursued and managed determines if conflicts manifest themselves in primarily political (non-violent) or violent ways.
- When groups within a society—including the government—pursue their objectives in accordance with the laws and established norms of that society, for instance through political institutions, conflict tends to be predominantly political. When the use of violence outweighs the use of political means, groups turn to violence to pursue their goals.
- This suggests that though the vast majority of societies and communities are not embroiled in violent conflict, there is often a latent potential for violence.
- Accordingly, even if operations are being implemented in a region without a previous history of conflict, it is important for task teams to develop a clear understanding of the socio-political context so that they can avoid risks and capitalize on opportunities to promote more peaceful, cohesive societies. Indeed, development assistance has the potential to influence conflict factors in both positive and negative ways.

**Did You Know?** OP 8.00 outlines the Bank’s “Rapid Responses to Crises and Emergencies. Moreover, OP 2.30 provides a roadmap for the Bank’s involvement in conflict and post-conflict situations:

**In All Member Countries:** to promote economic growth and poverty reduction through development assistance that promotes social cohesion, institutional capacity building and good governance and minimizes potential causes of conflict;

**In Areas Affected By Conflict:** to (i) continue efforts at poverty reduction and maintenance of socioeconomic assets where possible; (ii) provide—where requested by member states, the UN, or other partners—advice on the socioeconomic impacts of emergency assistance; and (iii) analyze the impact of conflict on economic development and prepare for renewed lending assistance as opportunities arise; and

**In Areas Emerging From Conflict:** to (i) facilitate the transition to sustainable peace; (ii) support economic and social recovery through investment and macro-economic policy advice; and (iii) provide advice and guidance on the socioeconomic impacts of post conflict reconstruction policies on sustainable development.

---

Characteristics of Conflict and Post-Conflict States

- **Unstable or Changing Population Base:** Countries emerging from violent conflict are often characterized by large movements of people returning home, displaced people returning to settle, and urban migration. For example, in Sierra Leone most villages were populated by only 10-20 percent of their original populations for the first three to four years after the signing of the peace agreement in 1999.

- **Lack of Skilled Human Resources:** In addition to human resource deficiencies due to wartime migration, the presence of unskilled and unemployed youth is likely to be a significant problem. Lack of education, training and economic activity may have left a whole generation without formal education, literacy, work experience or proficiencies other than military-related skills.

- **Shifting Gender Roles:** Wars often lead to changes in the status of women in society, which can be either positive or negative. For example, while women’s entrance into the labor force may lead to positive changes regarding the acceptability of women’s employment in some post-conflict settings, in other situations women may find themselves pushed back into more traditional roles. For example, demobilized female ex-combatants in Eritrea returned to their communities to face family members and neighbors who expected them to return to traditional gender roles. The challenge is to maintain any improvement in the social status of women while supporting their efforts to sustain themselves and their families. At the same time, it is important to note and take into account that men can also experience shifts in gender roles as a result of conflict.

- **Social Exclusion:** In conflict contexts certain parts of the population are particularly economically vulnerable and thus need special attention in supporting livelihoods and gaining access to community resources. While it is important to attend to the needs of vulnerable groups, especially unemployed former combatants, preferential treatment can lead to tensions within the community. Thus, meeting the needs of vulnerable groups must be balanced with strategies for their long-term integration in and acceptance by society.

- **Breakdown of Trust and Erosion of Social Capital:** Communities in conflict and post-conflict settings may be deeply

Think Twice!

According to QAG’s recently completed review of quality of supervision in FY05-06, fifty percent of projects in high-risk LICUS classified countries did not adequately address social and political risks during supervision, greatly reducing the likelihood that they would achieve the desired development objectives. This statistic highlights the fact that conflict sensitivity should be considered an important element of project design in conflict and post-conflict areas.

Conflict-sensitive assistance ensures that reconstruction and development policies, programs and projects consider their potential impact on the conflict environment, thereby ensuring that interventions do not contribute to conflict escalation. Indeed, though on the surface it may make sense to go forward with a project based on cost-effectiveness or technical reasons, viewing operations through a conflict lens allows task teams to consider negative impact on the conflict situation and redesign projects accordingly. For example, an education project aimed at increasing the number of students passing statewide examinations may exacerbate inter-group tensions if people perceive that it is disproportionately benefiting one social group at the expense of another.

---

Demand Driven Approaches for Livelihood Support in Post-Conflict Contexts (2005)
divided. Neighbors that previously worked together or individuals who used to belong to the same association or cooperative may be unwilling or unable to re-establish cooperation.

- **Expansion of Informal Economy:** It has been estimated that throughout much of the developing world the informal economy matches or exceeds the size of the formal economy. This is particularly true of conflict-affected areas, where formal economic mechanisms, institutions, and regulatory bodies may not be functioning. Thus, in post-war contexts, much or most of the population is likely to be engaged in “grey” or informal economic activities as the only available means for survival. The danger inherent in such “shadow” economic activities is that even where they may involve legal goods, powerful criminal elements or local warlords often support or profit from such activities.

---

### Learning from the Past: Unintended Consequences - The Mahaweli Irrigation Project in Sri Lanka

**Background:** One of the main objectives in the sequence of Mahaweli projects, supported by the Bank between 1970-1984, was to increase the availability of irrigation water to different parts of the country. As such, the Sri Lankan government, which was controlled by the Sinhalese majority, built large irrigation networks, developed the surrounding areas for agricultural use, and resettled thousands of poor, landless people from the West and South of the country in large parts of what the Tamil minority considered their traditional homeland.

**Results:** Despite their positive intentions, the projects greatly exacerbated ethnic tensions in Sri Lanka. Though the project areas were remote and, until the program began, sparsely populated and clearly underdeveloped, the Tamil population resented the program because the investments appeared to be a way to change the demographic composition of the East by moving Sinhalese into the area. In combination with other changes, including diminishing investments in the older irrigation facilities that served the Tamil and Muslim farmers along the eastern coast and preferential treatment of Sinhalese in the country’s education system, many Tamils concluded that the project was part of a political scheme by the Sinhalese government to take over control of the traditionally Tamil districts. This greatly exacerbated ethnic tensions in the country.

---

### IMPLEMENTATION CHALLENGES

- **Latent Instability:** Civil conflicts seldom end in clear-cut victories for one side; there are winners and losers. Accordingly, conflict and post-conflict conditions are inherently unstable. For example, the way that the winners treat the defeated party is a critical determinant of whether national reconciliation takes place and peace is sustained. Task teams should recognize this latent instability, and ensure that well-meaning interventions do not exacerbate conflict.

- **Elite Capture:** Communities, even if they do not directly fall under the sway of major armed factions, may be subject to pressures from relatively powerful individuals or groups who exercise power for personal gain. When donor and government funds for livelihood support are disbursed to communities, it may be difficult to ensure that resources reach the community “as a whole”, since they may be monopolized by powerful elites. As peace is restored to communities and the local economy begins to be revived, decisions have to be made as to whether the interests of the community will be better served by a strategy of cooperation with these elements or by setting up alternative structures of community decision-making that, in time, may develop sufficient popular support to supplant them. The answer to this question will be largely context dependent.

- **Fluctuations in Capacity to Absorb and Use Aid Effectively:** A conflict-affected country’s ability to utilize aid is low immediately after the conflict due to

---

institutional and physical constraints. However, three years after the cessation of hostilities, absorptive capacity is typically double its normal level and the country often experiences a spurt in growth. During this window of opportunity, which typically lasts around four years, it is easiest to rapidly implement new interventions. This suggests that task teams should attempt to implement more complex interventions when absorptive capacity is at its peak.

- **Public Expectations:** Public expectations of the benefits from peace are likely to be high. After suffering from war, people expect a “peace dividend” and want it immediately, even though such expectations may be unrealistic.

- **Donor Pressure:** Donor pressure to achieve early results is likely to be unrealistically high. Donor policymakers often do not understand project planning, design, procurement, and construction processes and the institutional constraints to project implementation. This is problematic because, as mentioned previously, in the period immediately following the conflict the government’s absorptive capacity is likely to be at its lowest. Task teams should resist pressure to hastily implement interventions and attempt to convince donors that programs will have a greater impact if they are designed with longer term goals in mind.

- **Weak Governmental Institutions:** Governments involved in conflict or emerging from war are often weak and unable to establish a well-functioning administration. They may employ corrupt or discriminatory policies and practices based on group affiliation. Governments may also lack credibility or legitimacy in the eyes of the majority of the population. Conversely, communities may place unrealistic expectations on government. Civil society may also be extremely weak and unable to engage government in dialogue. In such circumstances, task teams face a tension between the aim of building governmental capacities and the imperative of providing for the immediate needs of the population. Though there is a temptation for donors and external forces to “replace” governmental functions with non-state service providers, this is an ultimately unsustainable strategy.

- **Balancing Aid between Short-Term Needs and Sustainable Growth:** To meet urgent needs, a large influx of humanitarian aid may be directed to communities. While its contribution may be vital in the short term, it can also lead to distortions of the local economy and development of dependency. For example, food aid can depress prices of locally produced food, putting some producers out of business. Donor-funded reconstruction works also risk sacrificing sustainability for speed. For example, while the provision of urgently needed services by donor institutions or the use of foreign companies for reconstruction and rehabilitation works may deliver faster results, it will result in a missed opportunity to use reconstruction funding in order to build local capacities.

**SOCIAL DEVELOPMENT TOOLS**

- **Community Driven Development:** Community driven development approaches (CDD) are an effective way to rapidly implement programs and disburse resources to communities in conflict-prone areas. Moreover, CDD can strengthen the peace by promoting inclusive and participatory models of local governance based on transparency, civic engagement and accountability.

- **Conflict Analysis Framework:** Social Development’s primary tool for analyzing conflict is the Conflict Analysis Framework (CAF). CAF provides task teams with a way to analyze factors that have shown to affect, or be affected, by conflict.

- **Poverty and Social Impact Analysis:** PSIA can help diffuse tension and conflict surrounding reforms in conflict

---

*CDD in the Context of Conflicted Affected Countries: Challenges and Opportunities (2007)*
and post-conflict situations by providing tools and methods that help assess stakeholder perceptions, attitudes towards reforms, and incentives. PSIA also builds government capacity and aids country ownership of reforms, which decreases political risk, by promoting public debates on the trade-offs between policy choices.

Conclusion:
In order to overcome the challenges posed by conflict and post-conflict environments, task teams must develop a strong understanding of countries’ social and political context, and the corresponding risks which they present. Operations should be designed with a clear understanding of the particular conflict’s dynamics to ensure that interventions advance developmental objectives instead of hindering them.

Sources:
4. Community Driven Development in the Context of Conflict-Affected Countries: Challenges and Opportunities, World Bank (2007)