CHAPTER 9

CONFLICT SENSITIVITY AND CONFLICT PREVENTION

Erin McCandless and Tony Karbo

Conflict sensitivity and conflict prevention are two key conceptual approaches at the heart of peacebuilding efforts to pragmatically address sources of conflict. Although conflict prevention has been around somewhat longer than conflict sensitivity and has been identified as an institutional priority within leading organisations working on peace and conflict, such as the United Nations, its application has been hindered by concerns of infringement upon state sovereignty. Relatively recent efforts to ensure that policy-making and programming are 'conflict sensitive'—that is, factoring awareness of the conflict context into decision-making—have made significant headway in policy discourse, but practice lags behind, challenged by political will, the tendency for bureaucracies within institutions to obstruct change, as well as the lack of coordination required but often lacking in international actor efforts. Given the developmental sources and drivers of so many conflicts in Africa, conflict sensitivity and conflict prevention are critical avenues for linking peacebuilding and development on the continent.

As the Carnegie Commission on the Prevention of Deadly Conflict observed many years ago, deadly conflict is not inevitable, and the need to act preventively is urgent. The problem is not the necessity of early warning, but for early action. The UN secretary-general's 'Progress Report on the Prevention of Armed Conflict' is perhaps the most important document outlining lessons learned and challenges that persist for international action. It targets three areas for conflict prevention measures—operational, structural (within states), and systemic—and highlights normative development, political and institutional progress, and gaps between rhetoric and reality.[1]

Operational measures are those applicable in the immediate crisis. They concern addressing issues before they lead to violent conflict, strengthening means for protecting civilians in armed conflict and post-conflict settings, using sanctions as a bargaining tool to bring parties to the table, and providing humanitarian aid aimed at prevention (i.e., addressing food insecurity and agricultural underproduction and resource scarcity). Structural measures within states designed to prevent conflict from occurring should focus on horizontal inequalities, governance-related issues (i.e., the failure of public policies to achieve even-handed results and prevent corruption, which violates public trust), and development programming that focuses on decreasing structural risk factors. Systemic measures—where there is a recognition that conflict, and thus its prevention, requires transcending state boundaries—involve reducing specific risk factors (such as environmental degradation), regulating conflict-perpetuating industries, halting the flow of illicit arms, and promoting human development.

Important work is being done in each of these areas, with norms and institutions for peace advancing with them. At the same time, the fundamental obstacle to conflict prevention—particularly when it becomes violent—is often political in nature. The role of politics at the national and international levels in advancing or blocking international action is often underestimated, or if recognised, not adequately addressed.

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[1]   The report builds upon the 2001 version of the UN's prevention assessment (A/55/985–S/2001/574) and 'A More Secure World: Our Shared Responsibility', a report by the Secretary-General's High-Level Panel on Threats, Challenges and Change that addresses six areas of vulnerability (http://www.un.org/secureworld).

Given the propensity for settled, violent conflicts to reignite—largely due to the failure of traditional peacemaking approaches and to inadequate efforts to address the factors that led to war—it is of paramount importance to ensure that programming and policy-making are done differently in post-conflict settings than in regular development settings. In recent years, many approaches suggesting what a conflict sensitive approach should look like have been developed and shared. Consensus has evolved that such an approach is indeed one that factors considerations of conflict into programming and policy-making in the planning, implementation, and evaluation stages in order to contribute to peace rather than conflict. This is driven by efforts to take into account the positive and negative effects of interventions (in terms of conflict or peace dynamics) in the contexts in which they are undertaken and to consider the impact of these contexts on the intervention.[2]

Conflict sensitivity represents, according to Thania Paffenholz, the third phase of like-minded approaches that have developed around a concern for evaluating and improving the effectiveness of peace and conflict efforts. In 'What Is the Aid for Peace Approach for Conflict Zones?', she describes a trajectory for which the first phase begins (around 1998–1999) with peace and conflict impact assessments (PCIA) and is marked by Mary Anderson's 'do no harm' approach, presented here in 'Framework for Analyzing Aid's Impact on Conflict'. Anderson's contribution starts from the premise that aid can never be neutral: all aid programmes involve the transfer of resources (food, shelter, water, health care, training) into a resource-scarce environment. In conflict situations, humanitarian aid and how it is administered can cause harm or can strengthen peace capacities in communities, notably by exacerbating 'dividers' or conversely building upon 'connectors'. To do no harm and to support local capacities for peace requires the following: (1) careful analysis of the context of conflict and the aid programme, examining how aid interacts with the conflict, and a willingness to create options and redesign programmes to improve its quality; and (2) careful reflection on staff conduct and organisational policies so that the 'implicit ethical messages' that are sent communicate congruent messages that strengthen local capacities for peace.

The second and third phases described by Paffenholz describe the deepening engagement of a broader range of actors with conflict sensitivity and a proliferation of tools. The period from 1999 to 2003/2004 she characterises as one marked by the development and introduction of new tools, mainly inspired by peace research, into development cooperation. The final and current phase has brought PCIA into broader acceptance and expanded the focus beyond assessing the impact of aid interventions on peace and conflict towards that of conflict sensitive programming and policy-making.

Current thinking is reflected in a number of approaches. Work by the Organisation for Economic Co-operation and Development's Development Assistance Committee (DAC), notably through its Network on Conflict, Peace and Development Co-operation and its Network on Development Evaluation, represents movement at the policy level, illustrating that governments are recognising the importance of the discourse and practice of peacebuilding and conflict prevention and of learning to evaluate such activities with a view towards improving their effectiveness and building sustainable peace. The factsheet 'Evaluating Conflict Prevention and Peacebuilding Activities' introduces the network's approach.[3]

Paffenholz's 'aid for peace' approach builds upon and integrates different tools from the fields of peacebuilding, evaluation, and planning and focuses on needs within a specific country, with the aim of tailoring aid interventions to improve their relevance and effec-

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[2]   The extremely valuable resource pack 'Conflict-Sensitive Approaches to Development, Humanitarian Assistance and Peacebuilding' (2004) is an ideal starter manual for those wanting to learn about conflict sensitivity (http://www.conflictsensitivity.org).
[3]   For the full DAC approach, see 'Guidance on Evaluating Conflict Prevention and Peacebuilding Activities: Working Draft for Application Period', 2008 (http://www.oecd.org/secure/pdfDocument/ 0,2834,en_21571361_34047972_39774574_1_1_1_1,00.pdf).

tiveness in peacebuilding. Departing from most PCIA frameworks, this approach can be applied at the programme/project and policy levels. It can be used to plan and assess peacebuilding programmes as well as humanitarian and development assistance.

The World Bank usefully extends thinking on conflict sensitivity into the realm of development and economic policy frameworks in its analysis of a selection of poverty reduction strategy papers (PRSP). The methodology presented in 'Toward a Conflict Sensitive Poverty Reduction Strategy' focuses on five areas:

- *participation*: the process of developing a PRSP can be 'conflict mitigating'—that is, used as a communication and collaboration mechanism between and among groups— and the process can serve to develop trust in authorities, build capacity, and establish accountability by actors involved;
- *poverty diagnostic*: the strategy should focus on conflict-induced poverty and integrate conflict analysis with poverty diagnostics, undertaking analysis of the relationship of poverty, poor governance, and marginalisation;
- *policy actions*: the selection, prioritisation, and content of policy actions should be systematically assessed through a conflict lens;
- *institutional arrangements*: to promote conflict sensitivity in PRSPs, institutional arrangements are needed that flow from conscious design that acknowledges conflict factors, stresses transparency, reflects broad-based and inclusive formations, and devolves power and transfers resources as needed;
- *donor behaviour*: donors should prioritise country ownership, strengthen countries' capacity to implement conflict sensitive policy, and improve harmonisation.

It is worth highlighting that this approach does not accompany the poverty reduction strategy process in countries; its adoption (in part or full) is totally voluntary, and to date there is little evidence that these methodological recommendations to advance conflict sensitive PRSPs have been undertaken in countries developing these strategies. Most important, this approach has not been well understood or mainstreamed within the World Bank itself.

There are also efforts that focus on bringing conflict prevention squarely into the development cooperation agenda. Sakiko Fukuda-Parr and Robert Picciotto, in the introduction to 'Conflict Prevention and Development Cooperation', underscore that addressing structural sources of conflict implies choices in economic and social policy that are at the heart of growth and poverty reduction strategies. In 'Promoting Group Justice', Frances Stewart, Graham Brown, and Alex Cobham illustrate a conflict sensitive analysis and approach in the area of fiscal policy. There is now widespread consensus that 'horizontal' economic inequalities among groups defined along ethnic, racial, linguistic, regional, and religious lines can generate social tensions and fuel violent conflict. The authors focus on tax and expenditure policies in post-conflict settings, making recommendations for incorporating distributional effects into fiscal policy-making in order to address horizontal inequalities and thus move towards sustaining peace.

While advances in thinking about conflict prevention and conflict sensitivity hold much promise in contributing to enabling peace and human development on the African continent, their success ultimately rests upon how well the obstacles of lacking political will and resistance to institutional change by bureaucracies and poor coordination—which prevent or undermine action—are tackled. Identifying and addressing the sources of conflict require achieving some degree of consensus, which is never an easy task. It also requires actions that might challenge particular personal, group, or national interests. International actors must, as they are increasingly promising to do through such efforts as the DAC guidelines and the Paris Declaration for Aid Effectiveness, be genuinely interested in working collectively to support such efforts, even if and when it does not directly or obviously serve their national interests. These are not small challenges, but a clear path has been lit. Will it be taken?

PROGRESS REPORT ON THE PREVENTION OF ARMED CONFLICT
United Nations Secretary-General
Excerpted from 'Progress Report on the Prevention of Armed Conflict:
Report of the Secretary-General', A/60/891, July 2006, 4–7

Introduction

1. This is my second comprehensive report on the prevention of armed conflict, prepared in response to General Assembly resolutions 55/281 and 57/337, as well as Security Council resolution 1366 (2001). This report fulfils my remaining reporting obligations stemming from these resolutions and provides information on the implementation of resolution 57/337, including the mandated capacity review of the United Nations system with respect to prevention. In September 2003 I submitted an interim report on the prevention of armed conflict fulfilling the reporting requirements of resolutions 55/281 and 56/512.

2. My first comprehensive report on this subject (A/55/985-S/2001/574 and Corr. 1) recognized that conflict prevention is one of the chief obligations set forth in the Charter of the United Nations and that primary responsibility belongs to national Governments. The report made clear that national sovereignty is strengthened by early action to prevent armed conflict because such action obviates the need for unwelcome external interference later on. The report also exhorted the United Nations system—many constituent parts of which have an important role to play—to move from a culture of reaction to a culture of prevention.

3. I note with satisfaction that a culture of prevention is indeed beginning to take hold at the United Nations. Since 2001, there has been important normative, political and institutional progress on this matter, most notably in the adoption of the resolutions mentioned above and Security Council resolution 1625 (2005) on strengthening the effectiveness of the Council's role in conflict prevention, particularly in Africa. In the 2005 World Summit Outcome (resolution 60/1), Member States solemnly renewed their commitment to promote a culture of prevention of armed conflicts as a means of effectively addressing the interconnected security and development challenges faced by peoples throughout the world, as well as to strengthen the capacity of the United Nations for the prevention of armed conflict. There is even some evidence to suggest that the overall trend in the number and severity of armed conflicts worldwide is decreasing and that this can be attributed in large measure to an upsurge of international activism in the areas of conflict prevention, peacekeeping and peacebuilding. Some Member States have also begun to advance the indispensable notion of national infrastructures of peace and to clarify what external support is needed. Moreover, the United Nations system has developed important tools and mechanisms to work cooperatively in conflict prevention, on which I will provide more detail below.

4. An unacceptable gap remains between rhetoric and reality in the area of conflict prevention. The time has come to ask some hard questions about why this gap has proved so difficult to bridge. What more can we do to bridge it? In 2001, mindful of the enormous regional consequences of our failure as an international community to avert genocide in Rwanda, I noted that we had an obligation to the victims of violence in that country and elsewhere to rise to the challenge of prevention. Too often the international community spends vast sums of money to fight fires that, in hindsight, we might more easily have extinguished with timely preventive action before so many lives were lost or turned upside down. Over the last five years, we have spent over $18 billion on United Nations peacekeeping that was necessary partly because of inadequate preventive measures. A fraction of that investment in preventive action would surely have saved both lives and money. So, while I am gratified that real progress can be documented in the present report, I feel more strongly than ever that we have a long way to go and no time to waste.

5. To that end, in this report I want to move our debate from a focus on mandates and responsibilities to a deeper awareness of what we are trying to prevent and how we must go about it. To prevent armed conflicts we must understand their origins and seek to make violence a less reasonable option. We must also take care that preventive action does not ignore the underlying injustices or motivations that caused peo-

ple to take up arms. Violence finds followers when people lack alternatives and feel voiceless. Our dual challenge is to address or diminish the sources of tension for society and to strengthen the institutions that give it the ability to channel conflict non-violently and to allow for dialogue.

6. These principles most evidently apply to intra-State and transnational conflicts, which make up the bulk of wars in the last several decades, but they are equally valid for preventing inter-State disputes. Going to war must be made as unattractive an option as possible, while mechanisms for peacefully resolving disputes and laying the ground for ongoing dialogue in which all stakeholders have a voice must be made more appealing and more accessible.

7. In the case of both intra- and inter-State armed conflict, the key is to equip States and societies to manage their own problems in ways that are most appropriate to them. If we are to enhance the impact of our efforts and address the root causes of conflict, the thrust of preventive work must shift—as indeed it has begun to do— from reactive, external interventions with limited and ultimately superficial impact to internally driven initiatives for developing local and national capacities for prevention. This approach fosters home-grown, self-sustaining infrastructures for peace. Its aim is to develop the capacity in societies to resolve disputes in internally acceptable ways, reaching a wide constellation of actors in government and civil society. It should be complemented by broader development programming that is sensitive to conflict dynamics. External support for such efforts must be informed by an understanding of the countries and societal dynamics concerned.

8. This structural approach must be complemented by action at other levels, both globally and nationally. In my 2001 report I introduced the distinction between structural and operational prevention. The latter refers to measures applicable in the face of immediate crisis, and the former consists of measures to ensure that crises do not arise in the first place and, if they do, that they do not recur. While acknowledging that such distinctions do not always completely hold in reality, I nevertheless find them useful conceptual tools. In this report I would like to introduce a third sphere of preventive action, namely, systemic prevention. Systemic prevention refers to measures to address global risk of conflict that transcend particular States. For example, global initiatives to reduce the illicit trade in small arms and light weapons, to tackle environmental degradation, to regulate industries that are known to fuel conflict and to advance the global development agenda not only are important in and of themselves but also serve to reduce vulnerability to armed conflict. Combined with ongoing, country-specific structural and operational preventive measures, systemic initiatives further bolster the chances of peace.

9. By more consciously situating our actions at the systemic level as contributing to (or detracting from) conflict prevention, we are following through on the important and stark message from the High-level Panel on Threats, Challenges and Change, which issued its seminal report "A more secure world: our shared responsibility" in December 2004 (see A/59/565 and Corr. 1). The Panel underlined our mutual vulnerability to six clusters of interconnected threats, which could be addressed only collectively. It also emphasized the importance of addressing those threats early and in ways that resonate most in the different parts of the world. Finally, the Panel highlighted development as "the indispensable foundation of a collective security system that takes prevention seriously" (A/59/565, synopsis, twelfth para.). I bore these messages in mind in the preparation of the present report, and I urge all Member States to do the same as they read and debate its contents.

10. That prevention is clearly a shared responsibility does not, however, diminish the primary obligation of Member States to exercise their sovereign duties to their citizens and neighbours. Many of the aspirations elaborated in the present report pertain to all societies and all Member States. No society can claim full immunity from tensions that have the potential to turn violent. There are many ways that Governments, supported by the international community, can work to minimize the potential for armed conflict. This report identifies many such opportunities and encourages all concerned to make use of the assistance that is available.

11. In section II, the present report looks at actual and potential ways to address the sources of tension that make States, societies and, indeed, entire regions more vulner-

able to armed conflict. In doing so, it distinguishes between actions at the systemic, structural and operational levels, making clear that we must be active at all those levels simultaneously to stand the best chance of making a difference. The report then turns in section III to how we can strengthen the norms and institutions that make armed conflict less viable and less likely. There is a good deal of progress to report in this area, which is heartening, but there is also a lot more to be done internationally, regionally and nationally. The same is true of the institutions that exist to allow for the peaceful settlement of inter-State disputes, which is the focus of section IV. While the activities and mechanisms described in sections II to IV are among the most prominent or important, they do not represent an exhaustive list of all possible options, but rather serve to illustrate the many ways in which prevention can be advanced.

12. Sections V and VI of the present report draw attention to the many actors that can contribute to effective preventive action. First and foremost, individual sovereign Governments remain fully accountable for maintaining peace within their borders. But they are not alone. They can and must be able to rely on the support of external actors whose activities can be crucial in preventing conflict, from the United Nations and other international and regional organizations to the private sector and civil society. The contribution such actors can make, and the importance of their acting in concert with the Government concerned and with each other to take timely preventive action, is the focus of section V. In fulfillment of General Assembly resolution 57/337, section VI looks specifically at how United Nations capacity has been and continues to be enhanced so that the Organization can better fulfil its preventive mission.

13. Finally, I conclude the report with a small number of important recommendations. These include suggestions for addressing systemic sources of tension and strengthening global norms and institutions for peace. I also make recommendations for actions at the country level that will similarly reduce risk factors and enhance national infrastructures of peace. Additional recommendations focus on the importance of all relevant players acting in concert, and I close with a series of recommendations pertaining to the capacity of the United Nations to fulfil its mandate in the area of conflict prevention.

FRAMEWORK FOR ANALYZING AID'S IMPACT ON CONFLICT

Mary B. Anderson
Excerpted from Mary B. Anderson,
Do No Harm: How Aid Can Support Peace—Or War
(Boulder, Lynne Rienner Publishers, 1999), 67–80

Aid workers have learned many practical and useful lessons about how aid interacts with conflict. These lessons can be used to improve the planning, design, implementation, and monitoring of future aid programs in conflict areas. By using what has been learned through past experience, aid workers can ensure that future aid does not exacerbate or prolong conflict and that it does strengthen connectors and support local capacities for peace.

In this chapter we pull together the ideas and lessons presented in the preceding chapters into an Analytical Framework for Assessing Sources of Tension, Dividers, War Capacities, and Connectors and Capacities for Peace in conflict situations. This planning tool has emerged from interactions and discussions with aid agency staff in many areas.

Expectations for International Aid

To set the context for using the framework, we should first clarify expectations. What can aid do and what can aid not do in conflict situations?

The evidence clearly shows that aid saves lives, reduces human suffering, and supports the pursuit of greater economic and social security in conflict settings. This is what aid is intended to do, and overall the record is good. We expect aid to have these impacts.

But how realistic are we to expect that aid should also have positive impacts on conflict? What are its limitations?

Aid neither Causes nor Ends Wars

Even if aid workers applied the lessons of past experience and carried out perfect programs, wars would still happen. People and societies fight wars for their own reasons; outsiders cannot prevent wars. People and societies must achieve their own peace; outsiders cannot make or guarantee peace for anyone else. To arrogate too much power to aid, to operate as if aid can make war or bring peace would be to disrespect recipient societies' right and responsibility to choose.

As we remind ourselves of the limitations of international aid, two additional realities must be noted. First, whereas societies overall are responsible for their own warring or non-warring decisions and actions, within societies many individuals and groups feel powerless in relation to those decisions and would, if they could, choose peace rather than war. Because this reality appears to be universally true, the dismissive comment sometimes made by international observers that "we should leave them alone to fight their own wars and not get involved" is inappropriate and fundamentally counter to humanitarian principles. Every society has people—often many people—who decry their country's wars and who value external aid because it enables them to express their opposition to destructive violence. Aid has a responsibility to respond to and join with these people.

The other reality that must be recognized even as we acknowledge aid's limitations is that even small amounts of aid have power. Although aid may be marginal when compared with the total resources devoted to wars, there is sufficient evidence showing its influence on the course of warfare that aid providers must take responsibility for its impacts. Aid's impact on conflict ranges from no effect at all to sizable and significant effects.

Some things happen in war on which aid has no effect. Some things happen that would happen regardless of whether aid existed, but because aid is provided in the context in which they occur it has an impact on them. In these circumstances aid workers must accept responsibility not for the fact that the events occur but for the ways in which their aid either worsens and prolongs destructive events or supports and strengthens positive ones.

Some events are caused by aid. When this happens, aid workers are challenged to ask if their aid has created new or increased tensions among people and whether it can help to re-strengthen relationships or forge new connections among them.

In the complex conflict settings in which aid is provided, aid workers must be both realistic and humble enough to know what they cannot affect and what is not their responsibility, and they must be idealistic and bold enough to hold themselves accountable for the events they affect or cause. This is no small challenge.

With this understanding of both the limitations and possibilities for aid to influence conflict, we offer the analytical framework for planning aid programs.

Analytical Framework

International assistance can make conflict worse in two ways: It can feed inter-group tensions and weaken inter-group connections. When aid has either of these impacts, it inadvertently exacerbates conflict. Conversely, aid can help war to end by lessening inter-group tensions and strengthening inter-group connections.

The framework has three basic steps; it also prompts a dynamic feedback process for ongoing assessment of a situation and appropriate program redesign.

Step 1 involves identifying the dividers, tensions, and war capacities in the context of conflict and assessing their importance. Step 2 involves identifying, and assessing the importance *of,* the connectors and local capacities for peace in the same context. Step

3 involves identifying the pertinent characteristics of the aid agency and its program and assessing (and reassessing) their impacts on the dividers, tensions, and war capacities and the connectors and capacities *for* peace.

The Context of Conflict—Dividers, Tensions, and Capacities for War

Aid providers must first understand and assess what divides people, the tensions between them, and the capacities for war (who gains from it) in any area in which they are working. This is true whether the area is embroiled in open warfare or is prone only to low-level and occasional inter-group tensions.

Some dividers and tensions may be obvious. Warring parties often cite reasons for their wars. Histories of prejudice and exclusion, struggles for control of disputed resources, and differences in understanding how a just society should be organized are reasons people may go to war.

On the other hand, as we have seen, these issues may not underlie a conflict. Putative leaders may manipulate opinion and promote inter-group tensions, but the fighting may do very little to address systemic justice issues.

In assessing dividers and tensions, aid workers should differentiate between those that arise from injustice or historical inequalities and those that have been manipulated or that result from conflict itself. That is, aid workers should distinguish between root and proximate causes of conflict.

Not all sources of tension or divisions in societies have the same potential for damage. Some are local or matter to small numbers of people. Others reach across societies and involve virtually everyone. Aid's impact on dividers and tensions will vary depending on how broadly or narrowly they are shared.

Some tensions that are widespread may actually connect people on all sides of a conflict. For example, the common experience of lawlessness can add to overall suspicion and thus divide people, or it may motivate people to reach across conflict lines to reconnect in common cause against the threat of uncontrolled thuggery.

Some dividers and tensions exist within society, whereas others may be prompted and promoted from outside. Regional issues and external powers contribute to a number of current conflicts. Surrounding countries sometimes arm combatants for their own purposes (e.g., Afghanistan); events within neighboring countries sometimes spill into and destabilize another country (e.g., the Horn of Africa). The location of the source of conflict must be considered when assessing the potential impact of aid on dividers and tensions.

Assessing the importance of dividers, tensions, and capacities for war. In this step it is important that aid workers not only identify dividers, tensions and capacities for war but that they also assess their importance. A critical question is, Who is divided? Between or among which groups do the tensions or divisions exist? Tensions are often found within societies that although important do not overlap with an identity that would be likely to erupt into open conflict.

Additionally, in assessing the importance of dividers and tensions, aid workers should consider how deeply people are committed to their conflict. How widely is a commitment shared? Who gains from the continuation of conflict, and how widely shared are the gains?

Some important categories for identifying and assessing dividers, tensions, and war capacities are root or proximate cause, broad-based or narrow involvement of people, and internal to society or externally induced. Aid's actual and potential impacts on dividers and tensions will vary depending on the depth and breadth of the commitment to war within the society in which aid is provided.

The Context of Conflict—Connectors and Local Capacities for Peace

Step 2 of the framework involves identifying and assessing connectors and local capacities for peace (LCPs) in the context of conflict. Whereas dividers and tensions may be overt and obvious, few connectors or capacities for peace are as readily apparent to aid workers, and they also vary widely in different contexts. It is insufficient to identify categories of groupings that might be connectors, such as elders, women's groups, or schools. Although in some settings such groups may bring people together in spite of war, in many societies they promote hatred and reinforce divisions.

Assessing the importance of connectors and local capacities for peace. To identify genuine connectors and local capacities for peace in any specific location requires attentiveness to the actual systems, actions, and interactions in that setting. Questions to be considered are, What are the lines of conflict in which connectors and capacities for peace are important? Where do people maintain overt contact and connections across fighting lines? Where do people stay connected in less obvious ways? How widespread or limited are both the overt and the less obvious interactions?

Some important categories for identifying and assessing the importance of connectors and capacities for peace include long-standing, historical or new, as a result of conflict; broad-based, inclusive or narrow, an opening wedge; internal or external; and actual, *existing* or potential (can aid provide incentives?). Aid's ability to affect connectors and peace capacities will vary depending on these realities.

The Aid Program—Planning, Implementing, and Monitoring

Step 3 of the framework involves analyzing the aid agency and its program. An aid program should be constantly reviewed as the context changes and as staff understanding of the context grows. Such review should prompt continual appropriate programmatic modifications.

The center column depicts an aid agency's initial intervention. Here we list all aspects of an aid agency that affect and shape its field programs. The agency's mandate, funding structures and sources, and headquarters' organization are relatively fixed regardless of field programs undertaken. (Note, however, that if field experience indicates that this core structure is counterproductive, even these aspects of an agency's identity can be changed.)

In addition, in any field effort aid agencies make a series of programming decisions. These include whether to intervene and why (stated explicit goal), where to intervene, what to provide, when and for how long, with whom (beneficiaries), by whom (field staff), and how. Some of these decisions are made at headquarters, some are shared by headquarters and the field, and some are made almost entirely in the field.

Decisions about whether, why, and where to intervene are usually made before an agency enters the field. Although they may be based on a field assessment mission, these decisions are made mostly at headquarters. Decisions about what to provide and the timing and duration of a program are often also dictated by donor policies and headquarters' mandates and structures. They are often shaped and adjusted, however, in response to field learning once a program is under way. Decisions about who shall be the beneficiaries of aid and what kinds of staffing should carry out a program are closer to the field, although international staffing patterns will be decided at headquarters. Finally, decisions about how to carry out programs are made primarily in the field. Although headquarters' policies may determine the shape and style of programming in general terms, staff in the field make local, specific, daily, and ongoing decisions about how they do their work. Decisions at every level can affect the impacts of aid on conflict.

The location of the various decisions between headquarters and the field highlights who has the responsibility and power to affect aid's interactions with conflict. People who make

decisions at headquarters are responsible for the way their choices play out in the field. If the decisions have negative impacts, those individuals should assume responsibility. Likewise, people at the field level bear the responsibility and have options for determining how their choices affect conflict. Although the chain of decision making is connected, individuals at each level always have options and latitude to ensure that their part of the process does less harm and more good. The entire system may not be changeable, but a thoughtful individual can adapt his or her part of the program to have a more positive effect.

Step 3 in the framework involves identifying the characteristics of an aid program according to the categories outlined and relating them to the analysis of the context (dividers or connectors) to anticipate how each programmatic choice will affect the context. For example, programmers should ask, Will a decision about staffing reinforce any division or tension we have identified? Will it feed into war interests? Or will it lessen tension? Can it support capacities for peace and connectors?

If staffing choices are seen as reinforcing divisions and tensions, it is time to consider the range of staffing options (options columns). Programmers should ask, How else can we staff this program? What about the number of staff? What types of people might we hire (men, women, all parties to the conflict, only one side, and soon)? What are the possible ways of working (paid staff, reliance on volunteers, working through government agencies, and the like)? Given what we understand about the divisions and tensions in this situation, how will each option affect them?

If the answer to reinforcing connectors is "no," one goes to the options column and considers all of the alternatives for staffing that might also build on and support connectors and capacities for peace. Programmers should ask, What do we know about local capacities and connectors? Can we devise a staffing pattern that will do the job and at the same time reinforce or reward a capacity or a connector?

The dynamic feedback elements of the framework require that each programming decision be checked through the two sides (dividers/tensions and connectors/LCPs). If staffing is adjusted to be sure tensions are not being made worse, the adjustment should also be tested against the connectors side of the framework. Programmers should ask, Is this the best we can do in terms of staffing choices not to feed tensions and at the same time support connectors? If not, is there another option?

Similarly, if an option is found that reinforces connectors, programmers should recheck to see whether there is any way it will inadvertently reinforce a tension. If so, what other options exist?

The process is less complicated than it sounds. Once an aid provider has internalized the idea of dividers/tensions and capacities/connectors, she or he will always view choices through these lenses. It will become second nature to think about the inadvertent side effects of programming decisions in the context of conflict. It will remain primary to ensure that the agency's mandate and programming purposes are achieved. Additionally, it will become natural to consider how to do so in ways that do not exacerbate intergroup tensions but that support and strengthen connections among people as they build a just and peaceful society.

In Chapter 3, we identified a range of types of dividers and connectors, including systems and institutions, attitudes and actions, values and interests, experiences, and symbols and occasions.

What a Framework Tool Does and Does Not Do

A framework tool does three things. First, it identifies the *categories* of information that have been found to be the most important in affecting the way aid interacts conflict. Second, it *organizes* that information. Third, it highlights *relationships* among the categories and allows one to anticipate likely outcomes of alternative programming decisions.

This facilitates an assessment of whether the anticipated impact is the best one available and if not allows an examination of options and alternatives to improve the impact.

A framework does not prescribe actions. It does not interpret events and factors for aid workers. It does not tell them what to do.

This tool, as with all tools, depends on its users' skill for its effect. But as is also true of all tools, a skilled worker can do better work with a good tool than without it.

How Much One Needs to Know to Use the Framework

It is important to begin any program design with an awareness of the context of conflict, including dividers and tensions and connectors and capacities for peace. Aid workers, however, will never know all of these aspects in detail and will certainly not know them when a program begins. Fortunately, they do not need to know everything at first.

They *do* need to be aware that some tensions are deep-seated whereas others are superficial, that aid itself can create new sources of tension if care is not taken to identify divisions in the society, that in all situations people stay connected through a range of factors that offer opportunities for aid support. With these three simple ideas and the motivation to look for and understand dividers and connectors, aid workers can design more effective programs.

Oddly experience shows that people with long-standing knowledge of an area of conflict may not be in the best position to identify these elements and assess their importance. People who know "too much" often become mired in the complexities of the situation (which are real) and therefore lack sufficient distance to see opportunities for change. They see the present situation as inevitable. They often believe solutions can come only from outside, from external political actors. They can miss opportunities for local grassroots actions that support—and sometimes lead—political action.

Dynamic, Not Static

Earlier we emphasized the dynamic, iterative process of using the framework. It is also important to realize that a context of conflict is in constant change. Today's dividers may be tomorrow's connectors (as, for example, the common experience of war). New connectors may appear; new tensions may also appear. War itself often produces local capacities for peace. Aid workers should keep the categories in mind and be alert to change. They should regularly fill in the framework because using it can help to identify and highlight changes in reality—and in understanding—over time, which are important for effective programming.

In Part 2 of this book the framework is applied to six representative case examples of aid programming in conflict settings. These and other cases first illuminated the ways aid and conflict interact. We include them here both to illustrate how these ways emerged from varying realities and to demonstrate how the analytical framework can help us to understand the dynamic interactions of aid and conflict.

WHAT IS THE AID FOR
PEACE APPROACH FOR CONFLICT ZONES?

Thania Paffenholz
Excerpted from Thania Paffenholz, 'Third-Generation PCIA:
Introducing the Aid for Peace Approach', Berghof Research
Center for Constructive Conflict Management, 2005

3.1. Objectives

The Aid for Peace approach is a multi-purpose and -level process that can be used for development and peace interventions. Its objectives are to support users

- to plan new, or assess and evaluate existing, intervention designs in such a way that they:
  — will reduce the risks caused by violent conflict
  — will reduce the possibility of unintended negative effects on the conflict dynamics
  — will enhance the intervention's contribution to peacebuilding
- to develop a conflict and peace monitoring system, or integrate the conflict and peace lens into standard planning, monitoring and evaluation procedures
- to assess the success or failure of peace processes on the macro level

3.2 The Basic Model

The essence of the Aid for Peace approach is a basic model that focuses on the needs for peacebuilding in a given country or area, tailors the intervention's objectives and activities to these needs through identifying the peacebuilding relevance and through developing peace and conflict result-chains and indicators for understanding the effects of an intervention on conflict and peacebuilding. From the basic model, separate modules for planning, assessment and evaluation purposes have been developed focussing on peace or aid interventions.

The Aid for Peace approach is not exclusive: Within its different modules, it builds in and combines the most important methods and tools in the fields of peacebuilding, evaluation and planning that stem from the previous PCIA and other debates. During the process the user also gets to know when, how and for what types of projects, programmes or policy interventions to best use what kinds of methodologies and tools.

I consider the Aid for Peace approach a major breakthrough, since it achieves an explicit connection between the conditions in a specific conflict context (peacebuilding needs), the peacebuilding goal of an intervention (relevance) and the actual effects of the intervention's activities on peace and conflict.

3.3 Areas of Application

The Aid for Peace approach can be applied
- for peace as well as aid programmes, and other interventions with different objectives than peacebuilding
- by a broad range of different actors (local and international, governmental and non-governmental, peace and aid donors, agencies and communities)
- for all levels of interventions (policy, programme, project)
- for different purposes (planning, assessment, evaluation)

3.3.1 Working in Conflict Zones with the Objective of "Peacebuilding"

This refers to all interventions directly aimed at contributing to peacebuilding, such as peace, reconciliation or democratisation projects, programmes or policies. Here the project planning is already designed to fulfil the purpose of peacebuilding. The reasons for using the Aid for Peace approach are

- to ensure the relevance of the intervention in terms of peacebuilding
- to monitor, assess and, ultimately, improve the effects of the intervention on peacebuilding while avoiding risks and problems caused by violent conflict by engaging in a systematic planning, assessment and evaluation process.

3.3.2 Working in Conflict Zones with Other Objectives

This refers to all interventions that have objectives such as development (water, health, agriculture), security reform, or humanitarian work. The goal of development interventions is to contribute to the development of a country or region. The reason for applying the Aid for Peace approach is to reduce the risks the intervention will encounter in the violent conflict situation, ensuring that the intervention will not have an unintended negative effect on the conflict dynamics, and increasing the chance that it will also contribute to peacebuilding.

Interventions aimed at enhancing democracy and good governance can fall in both categories (peace or other objectives), depending on their specific objectives.

3.4 Development of the Approach

The Planning and Assessment for Conflict Zones project that led to the Aid for Peace approach was first started in 2000 on the basis of previous research done by Luc Reychler on Conflict Impact Assessment Systems (CIAS) (Reychler 1999). Subsequently, the Aid for Peace approach was developed by myself in cooperation with Luc Reychler building on
- the further development of the debates on PCIA, "do no harm" and conflict sensitivity
- the debate on evaluation of peacebuilding interventions
- social science research on policy analysis and evaluation (Patton 1997, Rossi et al. 1999, Bussmann et al. 1998)
- the debate on evaluation of aid interventions in the OECD, the World Bank and the Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP)
- methods of participatory planning for aid and peace interventions (European Commission 2002, Action Evaluation Research Institute (AEPRO), Aria Group)
- field experience, testing and training

Field testing and training was done in cooperation with the Center for Peace Research and Strategic Studies and the Field Diplomacy Initiative in Leuven, Belgium, with both donors and aid agencies looking into various aspects of the assessment or planning process in conflict zones (2001: Rwanda; 2002: Bosnia, Burundi, South Africa, Nigeria, Angola, and Nepal; 2003: Angola, Sri Lanka, South Kivu, and Nepal). In addition, a three-day training module was developed and tested during 2003 and 2004 both with headquarters and field staff of a number of aid and peace donors and agencies.

EVALUATING CONFLICT PREVENTION AND PEACEBUILDING ACTIVITIES: FACTSHEET 2008
Organisation for Economic Co-operation and Development
Excerpted from Organisation for Economic Co-operation and Development,
'Evaluating Conflict Prevention and Peacebuilding Activities: Factsheet 2008'

Evaluating Conflict Prevention and Peacebuilding Activities

When violent conflict breaks out, development is derailed and the human, societal and financial costs are high. With an increasing share of aid resources being allocated to conflict prevention and peacebuilding interventions, there is a growing interest amongst the

donor community to learn what works, what does not work and why. Still, there is also recognition of the obstacles faced by those undertaking evaluations in conflict settings. Assessing and demonstrating the impacts of work in this field remains a challenge.

In response to this challenge, two networks of the OECD-DAC, working on conflict and on evaluation, initiated a process to develop guidance on evaluating conflict prevention and peacebuilding activities. Improved evaluation practice will enable systematic learning, which will in turn enhance the effectiveness of donor investments. It will assist experts and implementing organisations in improving the quality of conflict prevention and peacebuilding work and thereby contribute to preventing violent conflicts and securing the pre-conditions for sustainable development.

Why Is Guidance Needed?

Evaluating conflict prevention and peacebuilding activities poses unique challenges. For instance, work 'in' and 'on' conflict involves activities that differ from well established development operations and takes place in highly politicized environments. Access to reliable data is scarce and misinformation is rife. The evaluation process itself may have unintended consequences by influencing the behavior of conflict protagonists. Because of these and other obstacles, guidance is needed to help improve evaluation techniques in this rapidly evolving field.

Why Preventing Conflict and Building Peace Is Important

The World Health Organisation estimates that each year about 700,000 people are killed by violence or die in armed conflicts around the world. Hundreds of thousands more are displaced from their homes or die from the hunger and poverty that so often follow armed conflicts.[1] In addition to the 17 major armed conflicts currently raging[2] violence affects people in many countries all over the world.

Not only is the human cost of conflict devastating but its impacts on political, social and economic development are profound. The benefits of development assistance can be reversed by violent conflict, which is not only an accompaniment of poverty but is one of its main causes.

With the presence of open conflict in a country, economic growth declines an average of 2.2% per year.[3] The approximate cost of a "typical" civil war, measured by lost GDP and reduced human health, has been estimated at between US $4 and $54 billion.[4] Worldwide military spending per year has reached approximately $1204 billion.[5]

Meanwhile, in 2006 OECD member countries spent about $6 billion on peace work, through official development assistance and the funding of UN peacekeeping missions.[6]

What Are Conflict Prevention and Peacebuilding?

The terms conflict prevention and peacebuilding are used in this guidance as a fast-developing field that covers four broad areas of intervention: equitable socio-economic development, good governance, the reform of security and justice institutions and truth and reconciliation processes. Conflict prevention activities share the goal of averting the outbreak of violence. Peacebuilding work focuses on reducing or ending violent conflict and/or promoting a culture of peace. A few examples, amongst many, of activities that would benefit from this guidance include police training in human rights, bias reduction education, land dispute mediations, or a road construction project involving opposing groups. An indicative list of work themes within these four areas is detailed below.[7]

What Is Evaluation?

Evaluation assesses the merit and worth of an activity. It offers a systematic and objective appraisal of **relevance, effectiveness, impact, sustainability** and **efficiency**. This

learning process helps ascertain the quality of policies and programmes, enhance performance, identify good practices and define appropriate standards. Strong evaluations not only help ensure accountability and achievement of outcomes, but can lead to more effective peacebuilding and conflict prevention policies and programmes.

Key questions for evaluating conflict prevention and peacebuilding activities and policies include:

- **RELEVANCE:** Does the intervention relate in a meaningful way to current, key driving factors of the (potential) conflict? Are the assumptions or theory of change on which the activity is based logical or sensible in this context at this time? Are outputs consistent with the objectives of reducing or preventing conflict?
- **EFFICIENCY:** Are/were activities cost efficient? Is this the most efficient way to contribute to peace? Compare costs: what a war would have cost had it happened vs. the cost of this particular approach to prevention.
- **IMPACT:** What happened as a result of the conflict prevention and peacebuilding activity? Why? What were the positive and negatives changes produced, directly or indirectly, intended or unintended? In this field, the focus may be on impacts on the conflict: how did the intervention impact key conflict actors or affect on-going conflict-creating or peace-promoting factors?
- **EFFECTIVENESS:** To what extent were the objectives achieved? What factors contributed to achievements?
- **SUSTAINABILITY:** Will benefits be maintained after donor support has ended? Has the intervention addressed the role of "spoilers" (those who benefit from on-going conflict) or attempted to engage the "hard-to-reach" (combatants, extremists, men, etc.)? Do locals have ownership of the activity or programme, where possible? Have durable, long-term processes, structures and institutions for peacebuilding been created?
- **COHERENCE:** How does the activity relate to other policy instruments (trade, migration, diplomacy, military)? Are different efforts undermining each other? What are the costs or impacts of coordination?

Who Is This Guidance For?

This guidance is designed to fit the intersecting needs of practitioners in conflict prevention and peacebuilding, who may have limited familiarity with evaluation practices, and evaluators, who may have limited experience with evaluating conflict prevention and peacebuilding work. It has been developed for donor policy staff and desk officers, at headquarters and in the field, responsible for conflict prevention and peacebuilding programmes, policies, and projects; and for evaluation managers and consultants. The audience also includes non-governmental organisations (NGOs), international organisations, United Nations organisations and other development agencies working in conflict affected regions. In addition, this guidance will be relevant to practitioners in partner countries, partner governments and academics.

Guidance For Effectively Evaluating Conflict Prevention and Peacebuilding Activities Will:

Support evaluators and those commissioning evaluations by:

- providing more clarity on key emerging concepts in this field;
- suggesting techniques for the use of current and complete conflict analyses, to help strengthen evaluation of the relevance of activities in a particular conflict context;
- demonstrating the importance of assessing assumptions about how peace can be achieved (theories of change);
- stimulating critical thinking about, and strategies for, demonstrating impacts on key conflict and peace dynamics;
- specifying how the DAC Criteria for Evaluating Development Assistance can be adapted to this field;
- furnishing advice and principles on how to evaluate ethically and successfully in conflict environments; and

- providing guidance on dealing with common problems in this field, including: contradictory and/or unavailable data; dangerous and rapidly evolving contexts; a lack of clearly defined objectives for these activities; a lack of consensus on effective strategies; and partner government involvement in the conflict.

Help conflict prevention and peacebuilding practitioners and policymakers by:

- promoting the use of evaluation, as well as monitoring, as tools to improve learning and accountability, and ultimately enhance the effectiveness of conflict prevention and peacebuilding interventions;
- encouraging rigorous analysis and critical thinking about what actually contributes to peace and what does not;
- providing lessons about operational design, beyond those provided through audit and monitoring;
- helping to refine theories about the causes and dynamics of conflict, which will in turn lead to better designed interventions;
- providing specific tips on drafting Terms of Reference and picking effective teams for conflict, peace and security activity evaluations;
- supporting more strategic approaches that link programmes, policies and projects;
- promoting harmonisation of donor assistance; and
- encouraging coordination and coherence amongst the various government entities including security, military, trade, private, development, humanitarian, and peacebuilding fields.

Empower and protect citizens by:

- reducing violence and suffering through more effective peacebuilding initiatives;
- improving accountability and transparency in both donor and recipient governments;
- promoting participation of local people to learn about and have a say in conflict prevention and peacebuilding work, particularly among women and marginalised groups (based upon a full analysis of stakeholders and their objectives); and
- enhancing development effectiveness of tax money spent on donor-funded conflict prevention and peacebuilding activities.

TOWARD A CONFLICT SENSITIVE POVERTY REDUCTION STRATEGY
World Bank
Excerpted from World Bank, 'Toward a Conflict Sensitive Poverty Reduction Strategy: Lessons from a Retrospective Analysis', Report no. 32587, Washington, D.C., 2005, 7–17

Summary

Building on a retrospective analysis of the poverty reduction strategy (PRS) experience in nine conflict-affected countries[1]—Bosnia-Herzegovina (BIH), Burundi, Cambodia, Chad, Georgia, Nepal, Rwanda, Sierra Leone, and Sri Lanka,[2] this report aims to determine how the causes and consequences of violent conflict can best be addressed within a country's poverty reduction program. The purpose is to provide lessons and guidance on how to increase the conflict sensitivity of the PRSP, which has become the primary tool in nearly 60 low-income countries for articulating a vision for growth and poverty reduction. The analysis identifies the main conflict challenges that have affected the nine countries in the sample; examines how the PRSPs took these conflict factors into account in developing their strategies for growth and poverty reduction; and attempts to draw lessons based on the findings. The analysis does not cover assessment of resource allo-

cation, budget or implementation because of uneven data and implementation time line between the nine cases.

Interrelationship between Conflict and Poverty

The analysis is based on the recognition that conflict and poverty are closely interrelated. Empirical evidence shows that poorer countries are more likely to experience violent conflict, while conflict-affected countries tend to experience higher levels of poverty. Violent conflict results in the destruction of economic and human capital. A country emerging from conflict is faced with damaged physical infrastructure, scarce employment opportunities, reduced foreign investment, and increased capital flight. In addition, conflict increases military expenditures, which diverts resources from public and social spending, and erodes the government's ability to collect taxes and manage revenues, thus undermining post-conflict recovery. This situation is worsened by weak governing institutions, which are often unable to implement policy and uphold the rule of law. Conflict often contributes to poor-quality education, inadequate social service delivery, and high levels of brain-drain. The intersection of these factors increases both the depth of poverty and the risk of conflict being reignited.

Viewed from the other direction, although poverty itself is neither a necessary nor a sufficient condition for conflict, poverty factors increase the likelihood of violent conflict in three main ways. First, a combination of poverty and unequal income levels tends to result in many people, particularly young men, who can be easily mobilized and recruited to armed groups. Second, weak and undemocratic governance structures, usually present in poor countries, are often incapable of preventing the onset of violence by peaceful means. Third, if a country with a large poor population is endowed with significant natural resources, rebel organizations are able to raise finances and galvanize public resentment against perceived or real injustices.

The interrelationship between conflict and poverty is often affected by group-based inequalities, i.e., those that develop between and among distinct social groups on the basis of their ethnic, social, regional, or other characteristics. These horizontal inequalities may serve to escalate conflict into violence when ethnicity is politicized and social capital, defined as associations within and between groups in a society, is distorted via the strengthening of intra-group bonds at the cost of weakening ties between groups.

Findings and Lessons Learned

The analysis identified several factors of conflict[3] that were present to varying degrees in all nine countries. These factors constitute challenges related to governance; economic performance; in-country regional disparities; social divisions along ethnic, religious or clan lines; access to land and resources; militarized society; and external factors such as subregional politics, refugee flows, and the influence of the Diaspora.[4] The following section discusses the extent to which different aspects of the PRS process—participation, poverty diagnostic, policy actions, institutional arrangements and donor behavior—were sensitive to conflict and seeks to understand what facilitated or hindered conflict sensitivity in each of these aspects. The report suggests ways to strengthen their sensitivity to conflict.

Participation[5]

- In countries with traditions of limited public participation, and relative to their starting point, engagement with populations on poverty issues through the PRS process opened up space for greater inclusion and domestic accountability.
- PRS formulation generally took place in environments of low state capacity and legitimacy with weak links among political power, bureaucracy, and conflict-affected populations. Prospects for the PRSP becoming a vehicle for stabilization increased where the government demonstrated that poverty reduction initiatives were for the benefit of all citizens.

- Limited effort was made during the PRS process to diversify the means and geographic span of communication with conflict-affected groups on PRS goals.
- Managing expectations was addressed most effectively through institutionalized dialogue between conflict-affected groups and the policy level. Efforts were less successful where the participatory process was misperceived to be a one-time consultation exercise with no impact at the policy level.

Poverty Reduction Strategies are expected to be built upon a country-owned development model supported by principles of broad and deep stakeholder participation, domestic accountability,[6] and social inclusion. These principles have special relevance for conflict-affected societies, where transparent policymaking and attention to inequality are likely to be limited during and immediately following periods of violence. Expectations of what can be achieved in such circumstances therefore need to be tempered with realism, while conflicting parties begin to build trust and a mutual desire for poverty reduction in the country as a whole.

The case studies revealed conditions that posed obstacles to participation, but they also reflected the use of a variety of approaches which were seen as positive steps towards civil society engagement. Countries concentrated their participation efforts largely at the *national* level. *Local government and community level* participation was generally weaker, although the Rwanda case highlighted conflict mitigation mechanisms in participatory rural appraisals at the *cellule*-level[7], thereby rooting participation in traditional processes.

Weakened institutions and social divisions in conflict-affected countries often resulted in authorities relying more heavily on peace accords and *donor support* to jump-start development and social cohesion. Participation was generally defined as engagement with *civil society organizations* (CSOs), whose ability to engage depended on their level of economic literacy and ability to represent constituents. In postconflict Bosnia and Herzegovina, a leading NGO stated: "For the first time, citizens have been asked to express their opinions directly through public debates. [The PRSP] has thus presented unique opportunities not only for improving the lives of the poor [...], but for empowering citizens to take part in the creation of future BiH priority actions and policies."[8]

The following capacity limitations were also discerned on the part of *governments* managing the PRS process: limited in-country experience with the country-driven model, a lack of know-how for engaging with unstable areas, and a belief that the PRSP was a technocratic exercise undertaken to fulfill donor requirements. On occasion, the PRSP lacked the ownership at the highest level of government needed to sustain dialogue with civil society.

Conflict Sensitivity of the Participatory Process

Given the diverse range of country settings, there was considerable variation in the recognition of conflict factors in participatory processes, and therefore in the extent to which these could be considered conflict sensitive. The potential for the PRSP to become a vehicle for stabilization depended on the government's ability and commitment to involve broad communities of stakeholders, and to demonstrate that poverty reduction is for all citizens, irrespective of ethnicity, religion, or region.

In PRSP *formulation*, Bosnia-Herzegovina and Rwanda employed participatory processes that specifically addressed the re-integration of war-affected groups. The Rwanda PRS *implementation* process was reinforced by a well-structured approach to consultations; which were consciously used to include war-affected groups and prevent further outbreaks of violence. In other countries, the participatory process was partially sensitive to conflict factors, but was not implemented in conflict-affected areas of the country.

A crucial component of participation was the extent to which communications were used strategically to engage conflict-affected populations. Authorities in Bosnia-Herzegovina, Rwanda, and Sierra Leone, for example, promoted participation of marginalized and war-

affected groups through print and radio media. There was generally limited effort to provide documentation in languages other than English,[9] including ethnic minority languages, or in formats accessible to illiterate audiences. Another aspect of communication related to the management of expectations, so that exchanges with the population could promote stability and mitigate a recurrence of violence. The Bosnia-Herzegovina, Georgia, and Rwanda strategies considered the PRSP to be a vehicle for social cohesion, and appear to have done this effectively, while in other cases participation was misperceived to be a one-time consultation exercise with little potential for impact at the policy level.

PRS participatory processes could be more conflict sensitive if:

- country ownership is manifested through the explicit inclusion of war-affected groups in socioeconomic and policy dialogue;
- each country finds its own formula for collaboration and reconciliation—it cannot be imported;[10]
- trust in the authorities is built through respect for laws on freedom of association and access to information, and when reconciliation commissions and ombudsmen are seen to administer justice in an equitable manner;
- traditional—potentially conflict-mitigating—mechanisms are used to ensure communication and collaboration between and among groups;[11]
- parliaments are strengthened in order to carry out PRS oversight and constituency representation more effectively, especially for conflict-affected groups;
- governments and partners capitalize on the energy and outreach of youth, especially where youth groups tend to be marginalized and at risk for recruitment;
- media and strategic communications are used to disseminate information on the PRS to remote and conflict-affected communities, and more importantly, to channel feedback to policy levels, thereby enhancing the voice of those most affected by conflict; and
- capacity building for domestic accountability and post-conflict participation processes is promoted and supported by partners.

Poverty Diagnostic

- Poverty diagnostics presented a multi-dimensional view of poverty that recognized not only the income dimension but also social, human, and structural dimensions of poverty.
- Conflict issues were considered in the poverty diagnostic, but the discussion of the manifestations of conflict were not the result of systematic conflict analysis; there were only limited efforts to explore how factors of conflict and poverty drive each other.
- Genuine political constraints prevented governments from explicitly addressing poverty-conflict linkages.
- Lack of capacity and paucity of up-to-date socioeconomic information were the major practical constraints to the poverty diagnostic.

The PRSP is expected to present a comprehensive diagnostic that sets out the determinants of poverty as a basis for developing a suitable program of actions. Conflict-affected countries would benefit by going beyond assessing traditional structural-based poverty to develop an in-depth understanding of conflict-induced poverty. This will contribute to the development of a conflict-sensitive poverty diagnostic which in turn will influence the formation of conflict-sensitive policy actions.

Most governments in the sample put forward a multi-dimensional view of poverty that recognizes the social, human, and structural dimensions of poverty in addition to the income dimension. In direct consultations, poor people also stressed the multi-dimensional nature of poverty affecting their lives. In these countries, in addition to the structural poverty factors that afflict many developing countries, poverty manifests itself in new ways due to the devastation of physical, human, and social capital. The PRSPs in conflict-affected

countries would benefit by the recognition of these specificities of conflict-induced poverty in their poverty diagnostic.

Evidence from the poverty diagnostics across the nine cases demonstrate that the diagnostics considered aspects of conflict. Burundi and Sierra Leone (I-PRSP), and Rwanda, Nepal, Sri Lanka, and Chad (PRSP) considered conflict issues to some degree in their poverty diagnostic, and recognized the interaction between conflict issues and poverty. The ramifications of their being conflict-affected, however, were not informed by any systematic conflict analysis and there was limited effort to explore precisely how factors of conflict and poverty drive each other.

While lack of a conflict analysis certainly weakens a comprehensive understanding of conflict and poverty, it seems that some governments faced genuine political and practical constraints that prevented them from explicitly addressing poverty-conflict linkages. On the political front, some countries suffered from the vestiges of violent conflict and tried to rebuild trust between groups, which made it politically untenable and insensitive to discuss conflict factors in the poverty diagnostic. In terms of practical constraints, weak capacity and the lack of recent and comprehensive socioeconomic data undermined the government's ability to undertake effective poverty analysis, particularly if it was recently emerging from war. Countries that were further removed in time from violent conflict were better able to conduct reliable poverty surveys due to internal security, the presence of international organizations and even international peacekeeping forces in some cases, internal capacity strengthened by external assistance, and ongoing reconciliation efforts.

In some cases, the poverty diagnostic benefited from qualitative and quantitative data collected by humanitarian agencies and NGOs that were active in the conflict-affected regions of a country. However, sometimes data generated by humanitarian agencies were viewed with suspicion by the government because they tended to depict poverty in ways which were contrary to the profile the governments wished to project.

As governments prepare a poverty diagnostic, donors can contribute by building capacity, providing technical support, and assisting in the development of methodologies like participatory poverty assessments (PPAs) suited to conflict environments. A well-developed poverty diagnostic that is sensitive to conflict factors could, in turn, influence the prioritization of policy actions.

Poverty diagnostics could be more conflict sensitive if they:

- focus on a discussion of conflict-induced poverty;
- systematically integrate conflict analysis tools with poverty diagnostics, i.e. go beyond cognizance of conflict factors by undertaking systematic analysis of the interrelationship of poverty, poor governance, and marginalization;
- collect data with the support of donors that can provide technical expertise and support capacity building;
- combine quantitative and qualitative approaches (needs assessments, PPAs) to better cover the non-income dimensions of poverty;
- use data collected by humanitarian agencies and NGOs that operate in the conflict-affected regions of a country; and
- draw from expertise of humanitarian agencies, NGOs, or donors to develop proxy indicators that provide a reliable picture of conflict-related poverty.

Policy Actions

- The PRSPs of all nine countries included policy actions or programs that sought to deal with the consequences of violent conflict. The sample displayed great variation in range and scope, with countries just out of war giving the most attention to such actions.
- Security issues were considered important by most of the countries, but actions tended not to be part of an integrated security strategy.

- In several of the countries, policy actions were clearly informed by knowledge about conflict; but overall, the conflict sensitivity of policy actions was constrained by a weak contextual analysis of conflict factors and their link to poverty.
- The countries showed little systematic attempt to address sources of conflict through policy actions. They also showed little systematic attempt to consider the potential impact of the policy actions on the conflict situation.

Analysis of Context

None of the sample countries appear to have used systematic analysis of conflict as a method to guide the selection, prioritization, or content of policy actions. However, knowledge about conflict was applied to some degree in several cases. The Chad PRSP, for example, included a macroeconomic analysis that gave attention to conflict factors such as oil revenue management and diversification to non-oil sector productivity, and provided a basis for appropriate action.

Weak contextual analysis made it difficult to determine how programs should be prioritized and sequenced. In one I-PRSP, the policy actions covered the entire gamut of war-torn recovery needs. Individually, the proposed activities made sense, but there were too many to be taken seriously, and they were considered too vague to have much impact.

Getting the analysis right is crucial for the efficacy of an action program. There was a tendency in several of the PRSPs to frame complex problems, such as criminalization of the economy and resulting insecurity, as a purely technical issue rather than as one that is intimately linked to insecurity more widely, and to the quality of governance and the potential for escalating conflict. A problem as complex as criminalization of the economy cannot be addressed by simple technical solutions such as improving the tax administration or increasing the number of customs officers.

Addressing Consequences of Conflict

The PRSPs of all nine countries included policy actions designed to deal with the consequences of conflict. The Burundi I-PRSP aimed to address the challenges of transition from war to peace, and was framed as one of the tools to implement relevant parts of the Arusha peace agreement. The Sierra Leone government decided to tackle the effects of conflict first, and the top-priority in its I-PRSP was to improve the security situation by demobilizing ex-combatants and retraining the government security forces.

Improved security was a key concern in several other countries. In Chad, the PRSP proposed an action program to deal with land mines, disarmament, demobilization and reintegration of ex-combatants, and justice sector reform—but not as an integrated or operational strategy. The Cambodia NPRS[12] made explicit reference to the way land mines and unexploded ordinances (UXOs) contribute to poverty and inhibit poverty reduction efforts. It included plans to restructure security and reduce defense expenditures, and to disburse the funds on sectors such as health, education, agriculture, and rural development.

Several of the PRSPs considered the question of internally displaced people (IDPs) and refugees. The Bosnia-Herzegovina policy action program highlighted the fact that despite considerable progress, an estimated half of the 1995 caseload of IDPs remained reluctant or unable to return to their homes. The situation of internally displaced people was also addressed in the policy action programs in Sierra Leone, Burundi, and Georgia.

Policy Actions and Conflict Prevention

To what extent did the policy actions attempt to address sources of conflict? There was a close thematic overlap between the conflict factors identified in the countries and the PRSP's policy actions because many of the factors affecting poverty and those affecting conflict are closely linked, but the linkages were not systematically explored. And while much of the planned action would contribute to preventing conflict if implemented,

despite not having been primarily designed for that purpose, there were also missed opportunities given the limited exploration of the linkages with conflict and consideration of those linkages in the design.

Characteristics of governance were identified among key conflict factors in all the country case studies. While most of the reviewed PRSPs did not explicitly recognize the governance-conflict link—some perhaps because it was politically impossible, and others because conflict did not figure in the analysis—a few did. The Rwanda PRSP promoted more inclusive political processes to improve relations between the government and citizens. The Cambodia NPRS promoted governance measures that would have contributed to reducing the chances for future conflict escalation; however, the actions necessary to support those measures, including development of the legal and regulatory framework, were never fully implemented.

Actions on economic development offer both positive and negative lessons on sensitivity to conflict. The Nepal PRSP, for example, placed strong emphasis on stimulating rural growth based on the recognition that growth previously had excluded large parts of the population from development. Given the strong linkage between the conflict and the underdevelopment of certain rural areas in Nepal, effective rural-oriented action could potentially contribute to de-escalate conflict if designed sensitively.

Policy actions could be more conflict sensitive if:

- selection, prioritization and content of the policy actions are systematically assessed through a conflict lens;
- strong contextual analysis includes identification of key conflict drivers and their interaction with poverty, and is an integral part of the poverty diagnostic;
- security issues are integrated into a cohesive strategy for improved governance of the security sector and linked with policy actions for economic opportunities;
- they assess and monitor the potential impacts of policy actions on the conflict dynamics;
- conflict impact assessments consider the effects of individual action programs as well as the potential impact of policies and strategies, for example, the distributional impacts of a growth strategy;
- they use innovative ways to consider politically sensitive issues such as ethnicity;
- they take account of volatile situations by providing flexible implementation options.

Institutional Arrangements

- Some governments placed a high premium on developing institutional arrangements that considered conflict issues (ethnic or religious divisions, regional imbalances) by designing structures that either consciously ignored conflict factors or purposefully took them into account.
- Other governments made limited efforts to consider conflict issues, reinforcing beliefs that the establishment of pluralistic values was not a priority for the government.
- Even though institutional arrangements were relatively broad-based in design across the sample cases, not surprisingly perhaps, they showed mixed results in their level of devolution in PRSP preparation.
- In many cases, the PRS process has resulted in enhanced cooperation among sectors and ministries.
- Parallel peacebuilding processes in-country have influenced and been influenced by the PRS framework.

Institutional arrangements refer to formal structures and rules that determine the design and implementation of the PRSP. Given that the PRSP is the key policy document in some countries, the manner in which power is distributed through institutional arrangements, and the structure of relationships between government and non-government actors, can either reinforce the power imbalances that contributed to conflict or seek to redress them. By establishing inclusive and broad-based arrangements, it is likely that governments will be seen to recognize and perhaps even address con-

flict factors related to exclusion, concentration of power, and the control of public assets by a single group.

The case studies found that some governments placed a high premium on developing these types of institutional arrangements for the PRS process, while others made limited efforts to consider conflict issues, including ethnic and religious divisions and regional imbalances, in their institutional arrangements. In turn, this reinforced beliefs among certain groups and regions that the re-establishment of pluralistic values was not a priority for the government. The analysis showed, however, that in a few cases, for example Bosnia and Sierra Leone, governments were cognizant of conflict issues and designed institutional arrangements that purposefully took them into account. Even if conflict fault lines were not reflected in the design of institutional arrangements, some governments, such as Rwanda, consciously decided against incorporating conflict factors in institutional arrangements because they believed that doing so would risk cementing the divides that had led to war.

The cases demonstrate that at least in design most institutional arrangements for the PRS process were relatively devolutionary, with different organs of government and NGOs being accorded specific responsibilities. The cases however showed mixed results on institutional arrangements being devolutionary during PRSP preparation, with the actual level of the influence and involvement of parliament, government bodies, NGOs etc., varying across the cases.

BiH is a best practice example of actions being taken to ensure that the PRSP reflected a nationwide consensus. Nepal is another excellent example of effort being devoted to eliciting opinions of local government in the eastern, central, and western provinces during I-PRSP preparations. The PRSP also highlights the country's desire for an increased role for local government in development planning.

Most governments made a good start by establishing comprehensive institutional arrangements for PRSP preparation. Since most cases are now in the early stages of implementation, it is neither appropriate nor possible at this point to make an informed judgment about how governments will follow through on their commitment to devolve their institutional arrangements, in terms of decisionmaking authority and resource allocations. Reluctance of governments to be inclusive in the implementation phase of the PRSPs could be counterproductive, since the success of the PRS process is predicated on institutional arrangements that devolve power and transfer the control of resources to lower levels of government.

PRSP principles envisage that collective responsibility will increase as cross-sector collaboration and coordination between the center and local governments improves. The case studies indicate that the PRS preparation process resulted in enhanced cooperation among sectors and ministries, and produced a strategic and mutually-beneficial outlook on the part of ministries. Going beyond the PRSP, parallel peace-related processes in a few cases have influenced and been influenced by the PRS framework and helped to strengthen inter-sectoral and inter-ministry relations. The PRSP has promoted the inclusion of poverty-related issues into peacebuilding processes, and conversely reconciliation issues have been integrated into the PRSP—as seen in Rwanda and Nepal—resulting in both processes learning from each other.

Institutional arrangements could be more conflict sensitive if they:

- result from conscious design, with the incorporation of conflict factors;
- stress transparency and inclusion in design and implementation;
- reflect broad-based and inclusive formations, which can serve as important vehicles for cohesion and reconciliation;
- devolve power and transfer resources to support the implementation of PRSPs, particularly if the government is aware that if it does not follow through with their commitment of devolution, the institutional arrangements could collapse, with irreversible damage to both the PRS and the process of peace consolidation; and
- draw from ongoing peacebuilding processes and in turn strengthen them.

Donor Behavior

- Country ownership of the PRSP tended to increase as the country moved further out of violent conflict.
- Donors tended to have unrealistically high expectations of the quality of PRSPs in post-conflict countries, given capacity weaknesses and continuing divisions among population groups.
- In some cases, donors consciously refused to align their strategy with the PRSP if it did not address conflict issues as this would imply that they endorse the exclusion of conflict.
- Lack of prioritization in the PRSPs made it difficult for donors to align their programs with the country program.
- Donor coordination was not optimal in many cases, although harmonization efforts are on the rise.

For PRS preparation, donors need to examine their own behavior, consider how they can engage with conflict-affected countries more effectively and coordinate more systematically in order to *support* the PRS process, i.e., not drive it. The PRSP model envisages a partnership between donors and the country. Consequently the PRSP seeks to change donor behavior on three key fronts:

Donor Assertiveness vs. Country Ownership

Country ownership, a key pillar of the PRSP, suggests that the PRS be representative of the needs and priorities of the diverse stakeholders in a country. The case studies indicate that countries that had not experienced active conflict for a few years and were able to successfully recognize, even if not resolve, conflict challenges were more likely to lead the exercise with donors playing a supportive role and providing technical assistance.

A common complaint across the countries however was that in countries weakened by conflict and with low capacity, donors had unrealistic expectations of the PRSP and set priorities that the governments had no alternative but to follow. In some cases, donors made their support contingent upon the government preparing a PRSP that was congruent with donor vision. Donors respond that in conflict-affected countries, they encourage governments to make conflict issues a primary concern; and that they have the prerogative of not aligning their programming to the PRSP if it addresses conflict issues only superficially. They further argue that the country needs to create appropriate structures to tackle conflict challenges if it wants to receive donor support.

Donor Coordination

Donors acknowledge that differing priorities and limited coordination in the past resulted in overlapping programs or incompatible policy actions. In some cases, tension occurred between donors that provided budgetary support to the PRSP and those that continued to support projects that were not necessarily in the priority areas identified in the PRSP. In other cases, donors did not agree that the PRSP was the most useful strategy for the country and developed other strategies that they felt were more appropriate.

Cases of inter-donor disagreements persist, and tensions over how countries should be encouraged to integrate conflict issues in strategy formation continue. Yet, by and large, the cases show that a uniform voice is gradually emerging that calls for donors to harmonize their efforts on conflict and development, with a focus on how to carry out development activities in a conflict context. DEPAC (the Development Partnership Committee) in Sierra Leone, the Donor Framework Group in Georgia, and the Donor Working Group in Sri Lanka are some examples of institutionalized coordination among donors. Their programs are concerned with both poverty reduction and activities supported outside of the PRSP framework, such as the multi-donor conflict assessments.

Donor Alignment with PRSP Priorities

Donors should ideally realign their country strategies to conform with the priorities presented in a country's PRSP. The case studies found, however, that donors only minimally considered the PRSP in determining country assistance because the PRSP encompassed a wide-ranging set of priorities. This is unfortunate and potentially a concern also in non-conflict countries, since one of the main aims of the PRSP is to encourage donors to rethink their strategy and help address the main concerns outlined by the country.

In a few cases, when the PRSP ignored conflict challenges, donors consciously decided not to align their country strategy to it because alignment would suggest that they endorse the exclusion of conflict. In these cases, donors continued to support activities that contributed to poverty reduction and conflict mitigation independent of the priorities identified in the PRSP. Donor decisions to not align their strategies to the PRSP in these situations are understandable, given their belief that aid will not be effective if the PRSP does not account for conflict concerns.

Donors could support conflict sensitivity more effectively if they:

- make a concerted effort to prioritize country ownership over promotion of their own priorities, if the PRSP is to be an effective framework;
- strengthen the country's capacity by providing technical assistance to ensure that conflict issues are carefully considered, and that structures have peacebuilding impacts;
- create an environment that enables countries to deal with conflict-related sensitivities;
- differentiate between legitimate reasons for omission of conflict issues and exclusionary policies that do not justify ignoring conflict; and
- improve harmonization and establish formal coordinating mechanisms to take advantage of comparative strengths, and to avoid duplication of support and contradictory policy advice and incentives.

Key Issues for Conflict-Sensitive PRS Development

A PRSP needs to be specific to the country context and flexible in responding to changing circumstances, while taking account of potential risks.

- *Country specific*. The most fruitful PRS design is based on a thorough assessment of the country context, including specific conflict factors. This means there is a strong need for good contextual analysis and for avoiding the mechanical use of tools and lessons. The PRS should draw heavily on in-country processes such as peace agreements, joint needs assessments, and transitional results frameworks. In many conflict-affected countries, humanitarian, recovery and development needs will overlap and the PRS needs to take this into account.
- *Nimble and flexible*. Conflict-affected countries are often characterized by great volatility and quickly changing situations, while facing serious capacity constraints. There is a real need for a PRS framework in such countries, but the process and strategy could be structured such that design and implementation allow the countries to (i) respond relatively quickly to changing situations; (ii) be flexible in their design and implementation; and (iii) produce alternative options when changes render current measures irrelevant. While flexibility is key for the PRS in conflict-affected countries, this should not be interpreted as allowing for a laissez-faire approach but as the ability to develop unique and innovative methods.
- *Risks*. As any activity in a conflict-affected country, the development of a PRS carries certain risks. The more carefully the process takes conflict factors into account and the more realistically the PRS content reflects the context, the better the potential risks can be managed. Risks may include instability because of unmet expectations among specific groups; the government's avoidance of prioritization and hard choices in order to maintain support from divided constituencies; insensitive treatment of divisive issues; and attention to short-term needs in ways that undermine longer-term recovery.

CONFLICT PREVENTION AND DEVELOPMENT COOPERATION

Sakiko Fukuda-Parr and Robert Picciotto

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Introduction

The statistical association between low incomes, low growth and conflict is robust and reflects reciprocal causal links. First, the damage caused by war amounts to development in reverse. Second, underdevelopment exacerbates vulnerability to conflict. Both insecurity and poverty are associated with weak state capacity to protect citizens, manage the economy, deliver services and defuse social tensions. But the last decade's research on the development-conflict nexus reveals that not all development contributes to security and indeed that some development patterns exacerbate risks of conflict when they undermine state capacities, exacerbate group exclusion, generate horizontal inequalities or sustain over-dependence on natural resources.

How can external engagement target conflict prevention? What risk factors and vulnerability indicators should be tracked? Should the mitigation of horizontal inequalities figure on the agenda of poverty reduction strategies? How should aid effectiveness be analyzed if donors wish to prevent conflict? What aid vehicles are best adapted to peace building? What aid allocation criteria would best contribute to peace and stability?

These policy questions are especially relevant to Sub-Saharan Africa, the only region of the world where the share of people living in absolute poverty is rising; where nearly 40 percent of world conflicts are taking place; where the deadliest confrontations of the last decade and a half have been experienced; and (as shown in the latest Human Security report from the University of British Columbia) where the incidence of violent conflict is increasing in stark contrast to trends in the rest of the world which has witnessed reduction in war and war deaths since the end of the Cold War.[3]

By reviewing the literature, debating the policy issues at a Wilton Park conference and examining donor practices at the country level, the joint JICA-UNDP initiative aims to relate available knowledge about conflict prevention to the design and implementation of donor countries' security and development policies towards Africa.

The purpose of this initial concept paper is to provide a common framework for all participants in the JICA/UNDP initiative. It sets out:

- The rationale of the initiative;
- Its analytical framework;
- Its objectives.

Addressing structural conditions

There is increasing attention to violent conflict in poor countries. This is motivated by concerns for international stability and humanitarian action. It is also driven by the growing public support for reducing global poverty. As the background papers show, violent conflicts are concentrated in the countries farthest behind in achieving the MDGs. They also create major obstacles to their achievement. Since the 1990s, much work has been done to develop a better understanding of conflicts and their relationship to development. Some policy results have already emerged. Building on work that started in the 1990s, the OECD DAC adopted guidelines for effective engagement with fragile states in 2006 (Annex 1).

A rich and diverse academic literature continues to grow. But the development community has yet to engage fully with the need for new policy approaches that can help prevent conflict. Far more attention has been devoted to post-conflict recovery and peace building than to conflict prevention. Policy work on conflict prevention has emphasized the Hippocratic Oath: 'first, do no harm'. This approach helps to ensure that aid is not diverted to benefit conflict protagonists and that it does not inadvertently exacerbate the tensions that underlie the violence. But they rarely address the structural conditions that increase vulnerability to political violence and conflict.[4]

In fact, it is surprising that many of the factors that have been repeatedly identified by research studies on the economic and social correlates of war are not taken into account in the design of development policies of national governments or in the policy work of donors active in fragile states. For example, while the latest World Bank report on MDGs, *Global Monitoring Report 2007*[5] focuses on state fragility as a major challenge for achieving the MDGs and identifies violent conflict a key obstacle to poverty reduction, it does not engage with the policy factors that raise the risks of conflict. On the ground, donor approaches to 'fragile states' are widely disparate as documented in a recent ODI study for JICA.[6]

Thus a wide gap still exists between research findings and policy formation at the crossroads of security and development. In part it is because the research community has been divided on the relative importance of various findings: low opportunity costs for joining rebel forces[7]; horizontal inequalities; exclusion of ethnic and other groups from power and assets[8]; environmental pressure related to migration[9]; the 'youth bulge' coupled with unemployment and exclusion[10]; overdependence on (and poor management of) mineral resources[11]; breakdown of the social contract between the state and its citizens[12], etc.

While disagreements remain, the literature and debates have evolved beyond initial controversies, and these findings are increasingly acknowledged to be more complementary than mutually contradictory. In fact, in many countries, many of these factors coexist. While low per capita GDP and slow growth are correlated with high risks of conflict, not all roads to higher growth will reduce the risks. Some kinds of development exacerbate horizontal inequalities, environmental pressure, over-dependence on mineral resources, youth unemployment and exclusion, and the neighborhood effects associated with conflict spillover etc.[13] Moreover, a common factor underlying these conditions is the nature and the capacity of the state, that is weak and often oppressive to its citizens.

Addressing structural causes implies choices in economic and social policy that are at the heart of growth and poverty reduction strategies, as well as developing a better understanding of state capacity and fragility. Without addressing the root causes, sustainable peace cannot be achieved. About half of peace agreements fail; conflict resumes within five years[14] despite significant outlays and heavy involvement by the UN and/or other actors.

Peace agreements often freeze conflict rather than resolve it. Combatants suspend violence in the hope that the basic issues that led them to violence will be addressed and that they will be given a major stake in the new economic and political order. This recurring pattern in post conflict countries suggests that it would be preferable to nip conflicts in the bud before they escalate into major confrontations.

The fact is that post-conflict recovery programs are necessarily reactive: they take place well after a conflict has gone beyond a threshold of deadly destruction measured in heavy losses of life and property as well as social strife and political cohesion. By contrast, conflict prevention is proactive and seeks to prevent violent conflict through early action by addressing underlying concerns and competing demands. It addresses root causes, i.e., the underlying structural conditions that create incentives as well as the grievances that fuel conflict. At its most effective, conflict prevention addresses competing claims before animosities fester and balloon into full-fledged crisis and the ultimate resort to violence.

PROMOTING GROUP JUSTICE:
FISCAL POLICIES IN POST-CONFLICT COUNTRIES
Frances Stewart, Graham Brown, and Alex Cobham

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Executive Summary

Evidence suggests that economic inequalities—particularly "horizontal inequalities" among groups defined by ethnic, racial, linguistic, regional, and religious lines—can generate social tensions and fuel violent conflict. Well-designed fiscal policies can help build a sustainable peace by working to reduce these inequalities. This paper reviews some challenges raised by analyzing the impacts of tax and expenditure policies on inequality in post-conflict settings, and makes recommendations for incorporating distributional effects into fiscal policy making.

The Challenge of Measurement

The first step in understanding the status and dynamics of horizontal inequalities (HIs) is to map the group boundaries that form the basis for discrimination or favoritism. A careful scoping exercise is needed to answer four key questions:

(1) Are the salient groups ranked hierarchically?
(2) Are they geographically concentrated, or dispersed?
(3) Are they specialized in certain economic sectors or activities?
(4) Does the government have the political inclination to tackle inequalities?

After the relevant groups are defined, both income and non-income dimensions of HI should be measured. The latter include ownership of land and other assets, employment, education, and infant and child mortality. Simple comparisons of averages—such as per capita income—can conceal distributional differences within groups, so comparisons at various points across the distribution are also needed.

This paper proposes three approaches to tackle these measurement challenges:

- Where data needed to measure horizontal inequalities are not available (or highly inadequate), small-scale household surveys should be conducted to assess inter-group disparities in (a) asset ownership; (b) employment; (c) incomes; (d) education; and (e) health and nutrition.
- Where conflict-relevant group boundaries are not evident, perceptions surveys should be conducted on attitudes toward identities and inequalities.
- In addition to regional and linguistic categorizations, statistical offices should be encouraged to include ethnic, religious, or racial categorization (if relevant and politically feasible) in subsequent data collection.

Taxation Policies

Tax policies in post-conflict settings can and should aim not only to mobilize revenue but also to address inequality. These aims are interrelated as perceptions of tax-policy inequity can undermine the legitimacy of the taxation system and deter compliance, impeding revenue collection. Addressing distributional issues by making tax liability directly dependent on religious, ethnic, or racial identity, risks strengthening group divisions. Policies can be devised, however, to increase progressivity and tax more heavily those groups that are relatively privileged. To this end, the paper recommends that policy makers:

- Increase the general progressivity of the tax system by (a) increasing the role and progressivity of direct taxes and property taxes, and (b) increasing the progressivity of

indirect taxes by raising rates on luxuries and exempting basic goods consumed by the poor.
• Design indirect taxes to bear more heavily on privileged groups, by introducing taxes or increasing rates on geographic areas and production and consumption activities in which such groups are concentrated.

Expenditure Policies

Expenditure policies also can be designed to redress HIs. People benefit from public expenditure in the allocation of contracts and employment, as well as in their access to public services.

Four relevant types of expenditure can be distinguished:

(1) Expenditures with differentiated effects on both inter-regional and intra-regional lines, such as expenditure on infrastructure.
(2) Expenditures with differentiated benefits across groups but not necessarily across regions, such as airline subsidies.
(3) Expenditures with differentiated benefits across regions but not necessarily within regions, such as expenditure on environmental quality.
(4) Transfer payments to specific communities, households, or individuals.

To improve the distributional impacts of public expenditures, the paper offers the following recommendations:

• In the construction of facilities and delivery of services, allocation of contracts and employment should explicitly consider fairness among groups. Potential policies to promote this include competitive and transparent bidding procedures for contracts; "fair" employment legislation and rules; and technical assistance and possibly quotas to ensure equitable distribution.
• The distributional impacts of public services should be monitored, and allocations made to ensure greater horizontal and vertical equity by targeting pro-poor sectors, activities within sectors, and locations. In federal or decentralized systems, revenue-sharing formulae should be designed to improve regional equity. Aid allocation should follow similar principles.
• Aid donors should assist governments to identify types of expenditure that will reduce inequalities, drawing on available data, light surveys, and evidence from other countries. Where capacity is a constraint, they should provide technical assistance to integrate distributional impacts into public expenditure reviews and planning. Where willingness to tackle inequalities is a constraint, they should undertake policy dialogue and conditionality, and direct their own resources to improving horizontal and vertical equity.

Conclusion

The need to tackle horizontal inequality in post-conflict policies is increasingly recognized. Innovative policies can address this need. Collecting data on inequalities will enable policy makers to analyze the distributive impacts of the fiscal system, and to devise tax and expenditure polices to redress these biases. Aid donors have an important role to play in ensuring a government's success in these efforts.