

PEACEBUILDING COMMISSION
WORKING GROUP ON LESSONS LEARNED

Background Paper

**Economic Revitalization and Youth Employment for Peacebuilding
--with a focus on Youth Employment and Natural Resource Management--
July 2011**

I. Introduction

Economic revitalization is an essential part of peacebuilding. In his report on Peacebuilding in the immediate aftermath of Conflict, the Secretary General identified “support to economic revitalisation (including employment generation and livelihoods in agriculture and public works) particularly for youth and demobilized former combatants, as well as rehabilitation of basic infrastructure”¹ as one of the priorities of peacebuilding. The reintegration of youth in a collapsed economy requires tailored measures that have been adapted to the context of each post-conflict country.

In response to a request by some of the Country Specific Configurations, the Peacebuilding Commission Working Group on Lessons Learned (WGLL) held a meeting on 14 July 2010 on the issue of youth employment in post-conflict settings.² During that meeting the International Labour Organisation provided the WGLL with an overview of the “*UN Policy on Post-Conflict Employment Creation, Income Generation and Reintegration*”³, 2009.

A subsequent meeting of the WGLL on 22 November 2010 explored “Economic Revitalization and the Development of Service Based Infrastructure”⁴ as a follow-up to the July discussion, particularly since economic revitalisation had been identified at the time as one of the main challenges post-conflict countries face with respect to youth employment. UNDP, the World Bank and a representative of academia provided their perspectives, while representatives of Mozambique and Burundi shared their in-country experience. The UNDP explained the implication of the “*Crisis prevention and recovery report 2008: Post-Conflict Economic recovery-Enabling Local Ingenuity.*”⁵

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

² Peacebuilding Commission Working Group on Lessons Learned, “Youth Employment in Peacebuilding”, 14 July 2010 <http://www.un.org/peace/peacebuilding/Working%20Group%20on%20Lessons%20Learned/WGLL%20Youth%20Employment%20in%20Peacebuilding%20Chair's%20Summary%2014%20July%202010.pdf>

³ “UN Policy on Post-Conflict Employment Creation, Income Generation and Reintegration”, United Nations, Geneva, 2009, https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---ifp_crisis/documents/publication/wcms_117576.pdf

⁴ Peacebuilding Commission Working Group on Lessons Learned, “Economic Revitalization in Peacebuilding and the Development of Service Based Infrastructure”, 22 November 2010 http://www.un.org/peace/peacebuilding/pdf/WGLL_Chairperson_Summary.pdf

⁵ http://www.undp.org/cpr/we_do/eco_recovery.shtml

Subsequently, a regional seminar was held in Freetown on 2-3 December 2010 on “*Strategies and Lessons Learned on Sustainable Reintegration and Job Creation*,”⁶ which explored practical lessons from countries in West Africa. The Sierra Leone configuration had earlier urged the stakeholders on the ground to develop demand-driven strategy for youth employment interventions.⁷

In the WGLL meetings on economic revitalization and youth employment, the harnessing of natural resources was often cited as an essential element of economic revitalization. While the illegal trade in natural resources can fuel conflict and enable armed groups to fund their activities, the effective management of natural resources can serve as an entry point for economic revitalisation and job creation. The PBC WGLL previously explored the issue of natural resources in its May 2008 meeting “From Conflict to Peacebuilding: The Role of Natural Resources and Environment”⁸.

It is sometimes overwhelming to think of a broad set of enabling circumstances required to revive a devastated economy that includes: peace and security, workable physical infrastructure, functioning core institutions including a professional public service, an adequately educated and trained labour force, a regulatory and legal framework that fosters economic growth and whose rules are enforced, and government policies that encourage business and private sector development. Prioritization among priorities is always difficult, and also the same within an area such as economic revitalization.

To tackle an agenda as diversified as economic revitalization, the recent launch of the World Bank’s *2011 World Development Report on Conflict, Security and Development*⁹ provided the key criterion for deciding peacebuilding priorities; namely that prevent relapse into conflict. One of the key messages of the report was the need to strengthen legitimate institutions and governance through scaled-up assistance in security, justice, and jobs in order to break cycles of violence. Thus jobs are one of the focal issues from the outset, while natural resource management, as described in the following section, requires security and justice to become an entry point for economic revitalisation and job creation.

In the context of revitalizing the economies of post-conflict countries, therefore, the Chair of the WGLL wishes to give special focus on identifying concrete actions to support youth

⁶ “Strategies and Lessons Learned on Sustainable Reintegration and Job Creation”, Freetown, December 2010, http://www.un.org/peace/peacebuilding/Country-Specific%20Configurations/Sierra%20Leone/Background_paper_-_strategies_and_lessons_learned_youth_employment_Sierra_Leone.pdf

⁷ http://www.un.org/peace/peacebuilding/Country-Specific%20Configurations/Sierra%20Leone/Joint_Response_-_final.pdf

⁸ From Conflict to Peacebuilding: The Role of Natural Resources and Environment, PBC WGLL, 8 May 2008, <http://www.un.org/peace/peacebuilding/Working%20Group%20on%20Lessons%20Learned/environmentConflictPB/WGLL%20Chair%20Summary%2008.05.2008.pdf>

⁹ The World Development Report 2011, the World Bank http://wdr2011.worldbank.org/sites/default/files/Complete%202011%20WDR%20Conflict%2CSecurity%20and%20Development_0.pdf

employment and natural resource management. These are the key areas to address in order to avoid relapse into conflict. Yet international responses to date have been found to lack coherence.

II. Findings thus far

1. Youth Employment

Among six areas listed in the “*Crisis prevention and recovery report 2008: Post-Conflict Economic recovery-Enabling Local Ingenuity*”¹⁰ for interventions to reinforce and stimulate indigenous drivers for post-conflict economic recovery, it is interesting to note that all can be re-aligned and re-oriented in support for the single goal of job creation, taking into account lessons learned in Sierra Leone as will be described later. The report listed the six areas as: i) rehabilitating infrastructure, ii) reinvesting in human capital, iii) reintegrating ex-combatants and special groups, iv) securing economic opportunities and creating jobs, v) strengthening local institutions and governance mechanisms, and vi) mediating access to financial resources.

The “*United Nations Policy for Post-conflict Employment Creation, Income Generation and Reintegration*”¹¹, June 2009 was the product of two years of research, analysis and engagement among agencies throughout the UN system, to serve as a tool to help scale up and to maximize the impact, coherence and efficiency of support provided at the country level. The Policy provided five guiding principles(see below) and a set of action points to work on three concurrent programmatic tracks: A) Stabilizing income generation and emergency employment, such as cash-for-work, public employment services, and start-up grants; B) Local economic recovery for employment opportunities and reintegration, including capacity development, community driven development, and private sector development; and C) Sustainable employment creation and decent work, including support for macroeconomic and fiscal policies, financial sector and business development services, and labour-related institutions. The intensity of these programmatic tracks varies depending on the progress of the peace building process (see the figure below).

The five guiding principles of “*United Nations Policy for Post-conflict Employment Creation, Income Generation and Reintegration*”

Guiding principle 1: be coherent and comprehensive

Programmes must be derived from assessments, including pre-programme and labor market assessments. They require structured coordination amongst all stakeholders, building on comparative advantages. Interventions should be incorporated into national and sectoral post-conflict frameworks and policies.

Guiding principle 2: do no harm

Guiding principle 3: be conflict sensitive

Guiding principle 4: aim for sustainability

Sustainability requires national and local ownership and investment in capacity development of governments, communities and other stakeholders. Short-term employment programmes have to anticipate and complement programmes supporting the creation of longer term

¹⁰ *ibid.*

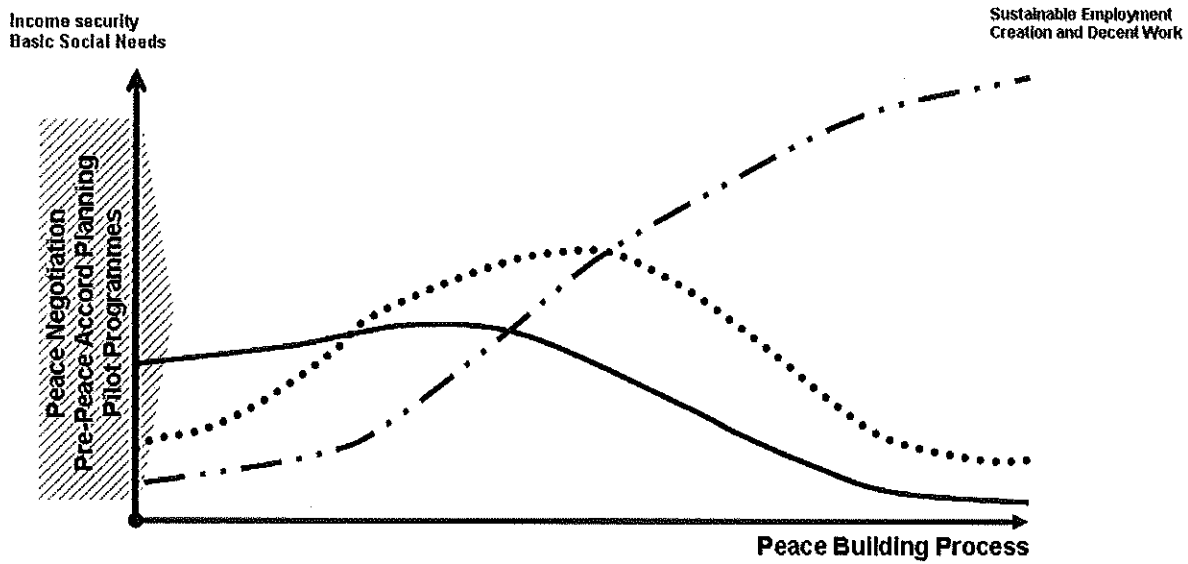
¹¹ *Ibid.*

sustainable employment.
Guiding principle 5: promote gender equality



Figure # 1

One Programme on three concurrent Tracks
 (curves measure intensity of programmes)



- Track A : STABILIZING INCOME GENERATION & EMERGENCY EMPLOYMENT —————
- Track B: LOCAL ECONOMIC RECOVERY FOR EMPLOYMENT OPPORTUNITIES AND REINTEGRATION ··········
- Track C: SUSTAINABLE EMPLOYMENT CREATION AND DECENT WORK - · · · -

Despite these guidelines, there remain many challenges on the ground so to achieve a coherent approach. The following are some challenges raised at the previous meetings.

Challenges and Lessons extracted from *Strategies and Lessons Learned on Sustainable Reintegration and Job Creation in Sierra Leone, December 2010*

1. Incoherence and supply-driven

- The interventions by the development partners are project-based and geographically scattered and isolated.
- Many projects are often supply oriented, focusing on training and enterprise start-ups, or enhancing “employability” without actually creating any demand for the jobs. The majority of projects have not included business skills development.
- Often projects in skills training have their roots in projects undertaken in the Reintegration phase of the DDR programme. Often the NGO’s and government officers have insufficient training in enterprise development, therefore often biased to social service provision.
- Project cycles were also too short, creating no prospects for employment sustainability beyond project life.
- Inadequate funding meant that large numbers of potential beneficiaries were omitted.

2. Insufficient support for policy development

- Most organizations have not facilitated the development of joined-up and coherent policies.
- Youth employment policy must be formulated in an integrated manner as part and parcel of the national employment policy. There must be a macroeconomic growth strategy that is employment-intensive and pro-poor as well as microeconomic policies that are coherent and integrated with education, health and labor market policies. Within the overall policy, measures should be considered to address the age specific barriers and problems young people face in the labor market.
- There is often no assessment of the critical sectors such as finance, education and agriculture from an employment perspective. Insufficient studies on the optimal balance of investments between urban versus rural areas and different regions of the country.
- No common definition of terms, and a lack of basic data on employment.
- Weak policies and strategies for employment creation, the lack of strong national institutions dealing with employment issues, and the low degree of decentralization

3. Small Business Development and the Growth of the Private Sector

- A clearer differentiation is needed in designing project interventions between those for Small and Medium Scale Enterprises (SMEs) in the formal sector, and those for micro enterprises and individuals in the informal sector.
- Insufficient coordination and linkages between different programmes that relate to private sector development and finance programmes.
- Small business development is hampered by lack of access to credit. To develop the micro finance sector, accompanying measures in skill development are necessary.
- Coordination between youth employment schemes and other programmes such as in infrastructure and agriculture need to be enhanced.
- Private sector actors need to be invited to for a where employment issues are discussed.

4. Importance of Agriculture for Employment

- More attention should be given to agriculture as the dominant source of income. The number of people employed in agriculture related industries (production, distribution and maintenance of agricultural machinery and other agricultural inputs, and processing, grading, storage, transport and finance of agricultural output) can be expected to increase significantly.
- Commodity chains and entrepreneurial activities in rural areas are fragmented and often inefficiently connected, hampering notably at the level of small-scale farmers.
- Projects in rural areas have to be part of the decentralization process and the strengthening of local state structures and institutions. Rural project interventions need to strengthen the capacity of districts to prepare their own development plans into which donor financed projects can fit.
- When choosing entry points for interventions, a value chain approach for specific commodities is advisable.
- Multinational enterprises (MNE) can be engaged, but foreign direct investment (FDI) in agriculture requires adequate infrastructure, including roads, electricity, water, and telecommunications.
- Measures are needed to change the poor perception around a career in agriculture, particularly amongst the youth.

Challenges cited in the Chairperson's summary on the 14 July 2010 WGLL meeting

1. mechanisms to reach grassroots people
2. a defined role for civil society
3. a clear perspective on how the gender dimension can be incorporated in economic activities
4. strategies on how to ameliorate integration programs particularly following the DDR processes and on how to increase local organizations' involvement
5. approaches on how best to sensitize youth mentality to economic integration
6. schemes to involve corporate responsibility to multiply outreach
7. projects that deal with youth's need for inclusiveness, sense of belonging and of importance – as a contributor to economy
8. dealing with economic revitalization to engage youth
9. security situation as the private sector will not invest in an unstable environment
10. how to bring actors together, and to coordinate aid and resources. The government needs to pool information and bring actors around a common table to centralize action.

In order to overcome the challenges mentioned above, the international community has to work collectively to identify initiatives that work and expand the scale in a coherent manner. The release of the WDR 2011 provided a window of opportunity that the international community has to seize.

Some examples of employment initiatives that have worked in the past

(extracted from the WDR2011)

- National community-based public works projects
- Investment in basic infrastructure

- Simplification of business regulations
- Support for agriculture
- Develop links between producers, traders, and consumers
- Asset expansion programs
- Women empowerment programmes
- Skills training and labour market analysis

2. Natural Resource Management

Subsequent to the WGLL's meeting on natural resources, the report "*From Conflict to Peacebuilding: The Role of Natural Resources and the Environment*"¹² was published in February 2009, in which the United Nations Environment Program (UNEP) provided a set of policy recommendations, aimed at ensuring the inclusion of environmental and natural resource management in considering peacebuilding activities. Yet, providing assistance for managing natural resources in a manner that benefits social and economic development remains a great challenge. Improving good governance and the effective and transparent use of state revenues from the exploitation of natural resources must be addressed.

Policy recommendations of *From Conflict to Peacebuilding: The Role of Natural Resources and the Environment*

1. Further develop UN capacities for early warning and early action
2. Improve oversight and protection of natural resources during conflicts
3. Address natural resources and the environment as part of the peacemaking and peacekeeping process
4. Include natural resources and environmental issues into integrated peacebuilding strategies
5. Carefully harness natural resources for economic recovery
6. Capitalize on the potential for environmental cooperation to contribute to peacebuilding

Global Witness¹³ issued a report in January 2010 entitled "*Lessons Unlearned: how the UN and member states must do more to end natural resources-fuelled conflicts*"¹⁴, which provided concrete recommendations on each of the four key entry points for international action—sanctions, peacemaking, peacekeeping and peacebuilding. The recommendations in the area of peacebuilding are as follows.

Recommendations on Peacebuilding by Global Witness

In the aftermath of conflicts where natural resources have played a key role, peacebuilding donors should:

¹² From Conflict to Peacebuilding: The Role of Natural Resources and the Environment, UNEP, February 2009, http://postconflict.unep.ch/publications/pcdmb_policy_01.pdf

¹³ The coalition of over 300 international NGOs runs Publish What You Pay Campaign calling for the mandatory disclosure of the payments made by oil, gas and mining companies to all governments. The coalition also calls on resource-rich developing country governments to publish full details on revenues. Organizations such as Global Witness run campaigns against natural resource-related conflict and corruption and associated environmental and human rights abuses. <http://www.globalwitness.org/>

¹⁴ <http://www.globalwitness.org/library/new-report-urges-un-learn-lessons-resource-fuelled-wars>

- Pursue a strategy of demilitarising and reforming the governance of natural resource exploitation and trade.
- Support the establishment of institutions and laws that ensure transparent allocation of natural resource concessions and transparent management of the revenues derived from their exploitation; make lifting of sanctions and provision of financial support conditional on these reforms.
- Make financial support to a government conditional on it removing its armed forces from any involvement in natural resource exploitation and trade.
- Provide support to law enforcement agencies policing natural resource exploitation and trade.
- Address natural resource-related issues in the context of security sector reform.
- Build capacity to govern natural resource production and trade, including capacity to negotiate natural resource concession contracts with international companies, monitor borders and manage customs.
- Build civil society capacity to monitor natural resource allocation, exploitation and trade and the management of the revenues generated by these activities.

Despite efforts taken in various aspects, there are still various ways where the international community can improve its response.
