

**Peace Processes and Statebuilding:
Economic and Institutional Provisions of Peace Agreements**



This report was prepared for the World Bank and UNDP under the stewardship of the Chr. Michelsen Institute, Bergen (Norway) and reflects the independent views of the report's authors. Authors were Astri Suhrke, Torunn Wimpelmann and Marcia Dawes (UNDP consultant). The report represents an output of the UNDP and World Bank's joint programme on statebuilding (for 2006-7) and was discussed by the programmes' Steering Committee in March 2007.

The work was made possible with the kind support of the Government of Norway, Ministry of Foreign Affairs.

Contents

- PART ONE: REVIEW OF PEACE AGREEMENTS..... 1**
- I. INTRODUCTION 1**
- II. THE DISCOURSE – AN OVERVIEW 2**
 - 1. PEACEBUILDING AND STATEBUILDING..... 2
 - 2. STATE FUNCTIONS AND THE TRANSITION FROM WAR TO PEACE 4
 - 3. PEACE AGREEMENTS AS BASIS FOR POST-CONFLICT STATEBUILDING 11
 - 4. CONCLUSIONS 18
- III. MAPPING STATEBUILDING PROVISIONS IN PEACE AGREEMENTS 19**
 - 1. METHODOLOGY..... 19
 - 2. FINDINGS..... 20
 - 3. CONCLUSIONS 28

- PART TWO: CASE STUDIES 29**
- I. INTRODUCTION 29**
- II. THE CONTEXT: THE CONFLICT, THE STATE AND THE ECONOMY 31**
- III. NEGOTIATING AND CONSOLIDATING THE PEACE..... 35**
- IV. CONCLUSIONS & POLICY IMPLICATIONS 53**

- ANNEX A: PEACE AGREEMENTS: EXCERPTS FROM UNDPA PEACEMAKING DATABANK..... 61**
- ANNEX B: COUNTRIES AND DOCUMENTS COVERED IN THE STUDY IN CHRONOLOGICAL ORDER..... 63**
- ANNEX C: MATRIX CATEGORIES 69**
- ANNEX D: FREQUENCY AND SPECIFICITY OF PROVISIONS OVER TIME..... 71**
- ANNEX E: SECTOR OVERVIEW OF CASES 75**

PART ONE: REVIEW OF PEACE AGREEMENTS

I. INTRODUCTION

1. This report originates in the growing international engagement in statebuilding and post-conflict reconstruction during the past decade. The 2005 Paris declaration of the OECD referred to an emerging international consensus on concepts and approaches to fragile states, many of which apply to post-conflict situations. As part of this development, the World Bank and the UNDP agreed to strengthen their cooperation on statebuilding. A joint workshop on post-conflict statebuilding held in New York in September 2005, attended by reformers from a number of countries and agency officials, identified the principal issues and challenges in post-war transitions. The meeting was also the stimulus for a concerted effort by the Bank and UNDP to work together on a small programme of activities around the theme of statebuilding. In the Bank, this direction was further confirmed by the board of directors' endorsement in January 2006 of peace-building and statebuilding as central goals for the Bank's engagement in fragile states.
2. The joint Bank/UNDP workshop in New York noted that peace agreements, if well constructed, could serve as a foundational roadmap for statebuilding in the transition period. Poorly designed peace agreements, on the other hand, provide a map with landmines implanted. While the nature of peace agreement have long been studied for their effect on the subsequent conditions of peace or war, less is known about which designs are most appropriate for building functioning and legitimate states. How, the workshop asked, could peace agreements provide a stronger, more comprehensive framework for managing the diverse transitions necessary for statebuilding?
3. In line with this discussion, the Bank and UNDP decided that peace agreements would constitute one focus of their joint program on statebuilding. The present study was commissioned as a modest start for this undertaking, intended to (i) provide an overview of the relevant literature on peace agreements in relation to state-and peace-building, and (ii) assess to what extent provisions relevant to statebuilding have been included in contemporary peace agreements, as well as the role of international aid agencies in the negotiating process.
4. The report is organized as follows: Part I starts with the literature review, including both academic work and the policy discussion in the United Nations system. Based on this review, the study uses six categories of provisions that are relevant to statebuilding in a post-conflict setting. These are (i) security, (ii) public administration and governance, (iii) justice, (iv) economic recovery and reform, (v) political representation and accountability, and (vi) post-conflict integration. Through a simple mapping exercise, the frequency and degree of specificity of such provisions are examined in a sample of 27 agreements concluded after 1989. In Part II of the study five agreements were selected for more in-depth analysis. In this part, the focus is further narrowed to provisions pertaining to public administration and economic recovery. There were two reasons for this. Most peace agreements in the larger sample address a range of security, political, governance and reintegration issues, but longer-term foundations for sustainable peace such as public administration and economic recovery are inconsistently incorporated. These areas are also of most institutional concern to the Bank and the UNDP. The concluding section

discusses the desirability and feasibility of including such provisions in peace agreements, and the role of the international aid agencies in the negotiation process.

5. It should be noted that the peace agreements considered here all refer to internal wars. Although many conflicts were deeply internationalized and some agreements the result of foreign military intervention, they were formally treated in the UN system as civil wars. The discussion that follows therefore refers to this genus of conflict and not formally declared wars among states.
6. This is a pilot study with limited scope.¹ Due caution must therefore be exercised when interpreting and generalizing from the findings. The main purpose of the study is to identify issues for further deliberation and policy-research.

II. THE DISCOURSE – AN OVERVIEW

7. The recent policy and academic debate on the nexus between peace agreements and statebuilding in peace processes has evolved for more than a decade, with the UN Secretary-Generals *Agenda for Peace* report in 1992 marking an important starting point. The literature review consequently covers a rich debate and – importantly – a variety of peace agreements. The variety partly reflects differences in the conflicts. For instance, the civil wars in Central America in the 1980s are qualitatively different from the recent wars in West Africa in terms of the substantive issues, the mode of warfare and the role of the state. The peace agreements that ended these wars differ significantly in terms of the issues covered and the provisions for post-conflict statebuilding and peacebuilding. Over time, there seems to have been a tendency towards including more detailed provisions for post-war statebuilding, particularly with respect to governance issues. This reflects both the changing nature of the conflicts and the increasingly assertive role of the UN system in all phases of the peace process.

1. Peacebuilding and statebuilding

8. The concept of “peacebuilding” arises from the recognition that addressing violent conflict must go beyond the immediate cessation of hostilities. The UN Secretary-General placed the concept on the international policy map with his *Agenda for Peace*. Widely considered an authoritative and useful definition, peacebuilding is here described as “action to identify and support structures which will tend to strengthen and solidify peace in order to avoid a relapse into conflict”. While potentially including a very large number of activities, in practice it is understood in the UN and the international aid community as typically involving post-conflict programs for humanitarian assistance, return of refugees, security sector reform, economic reconstruction, rebuilding of key government institutions, elections and political reforms, justice reform, and the establishment of foundations for long term development and social reconciliation, often in the context of international commitment to provide peacekeepers and funding.

¹ The ToR specifies that Phase I is a desk study, and the case studies (Phase II) should not require field work. Indicative length of the total study was set at 40 pages.

9. Statebuilding has a more narrow substantive content, although the specific meaning varies. In the present context it refers to the development of state structures, usually with reference to certain expectations of *what* these structures are supposed to do (of which the most important are often called core state functions), and *how* these functions are performed (typically in terms of accountability, transparency or legitimacy). Beyond this elementary definition, meanings vary according to political and institutional context. The 2005 OECD principles maintains that “state-building rests on three pillars: the capacity of state structures to perform core function; their legitimacy and accountability; and ability to provide an enabling environment for strong economic performance to generate income, employment and domestic revenues.”² In this perspective, the effective functioning of state institutions depends on the legitimacy of the state, which in terms suggests a broad, process-based definition of statebuilding. Some development agencies make a distinction between the short-term needs of consolidating security and political stability and a long-term process of developing sustainable and functioning state institutions, and reserve the term statebuilding for the latter.³ Some recipient states argue that effective statebuilding requires that a great proportion of aid funds must be channelled through its official channels, rather than directly to non-state actors and foreign aid actors.⁴ In this perspective, statebuilding requires consistent prioritization of national as against external agencies. The UN has generally been reluctant to use the term statebuilding, preferring more politically neutral language such as peacebuilding and institution-building.
10. What is the relationship between statebuilding and peacebuilding? An emerging consensus holds that statebuilding is a critical component in the transition from war to peace. There is a strong sense that state failure - whether defined as failure to monopolise legitimate violence or failure to deliver development, good governance and basic services - is a principal cause of contemporary conflicts. It follows that statebuilding designed to create effective, prosperous, legitimate and accountable states, that is, “good” states in relation to their subjects, is a critical ingredient of peacebuilding. The balance between such different dimensions determines whether statebuilding can be said to be peaceful. If the last two requirements – legitimate and accountable states - are relaxed, it is not clear that statebuilding and peacebuilding harmonize. Effective states, of course, can be very violent states. Reconstructed states or states that emerge victoriously after civil war do not always act in ways that promote peace (either internally or externally). It is therefore assumed in the international aid community that statebuilding means establishing states that are “responsible” as well as “effective”. Similarly, one influential study argues that institution-building is a prerequisite for liberalization reforms; without prior institution-building, liberal reforms tend to create conflict and endanger the peace.⁵

² OECD/DAC, 2005, *Principles for Good International Engagement in Fragile States*.

³ Madeline O’Donnell, 2005, UN Peacekeeping and the World Bank: Perceptions of Senior Managers in the Field, *DPKO External Study November 2005*.

⁴ Ashraf Ghani, Clare Lockhart and Michael Carnahan, 2006 “An Agenda for Statebuilding in the Twenty-First Century”, *The Fletcher Forum for World Affairs*, 30(1).

⁵ Roland Paris, 2004, *At War’s End*, Cambridge: Cambridge University Press.

2. State functions and the transition from war to peace

The literature

11. On a very general level there is at present considerable agreement that certain central – or core – state functions that must be reproduced in a post-conflict situation in order to sustain the peace. Such core functions are related to the provision of security, basic services, and representation and justice for the population; moreover, these functions must be discharged in a certain manner in order to render the state legitimate. Beyond this, there is a range of disagreement on the order of priorities, the meaning of the various broad concepts (what kind of security? security for whom?), the role of the state (as distinct from other agents) in discharging these functions, the relevance of various functions in different kinds of post-conflict situations, and on what constitute appropriate strategies and sequencing. The more theoretical literature emphasizes that a definition of “core state function” ultimately rests on a normative judgement that varies according to time, place, institutional perspective and political philosophy of the defining agent. Moreover, the universality of “the post-conflict” state is questioned.
12. Three main questions define the debate on statebuilding and the concept of “core” functions:

Does core state function relate to process or output or both? One view is that the primary role of the state is to guarantee a proper process whereby a range of actors – public and private – can provide certain common goods such as security and welfare. Another view holds that the test lies in the output: core state functions are those which ensure that the common goods are being delivered. The latter point is captured in the term “sovereignty as responsibility”, widely used in the contemporary discussion of the role of the state in Africa.⁶

How big is the core? Some studies focus on security as the key issue. Take for example the concept of the ‘legitimate monopoly of force’, widely acknowledged as the defining aspects of the modern state. Failure to maintain this monopoly, with resultant internal war, revolution or anarchy was indeed the main criteria for “failed state” in a major US-government sponsored study of the subject.⁷ But what is necessary to establish a “legitimate monopoly of force”? An efficient security apparatus is generally regarded as critical, but the rule of law to guard against arbitrary and hence illegitimate exercise of force would also be essential. More controversial is the added criteria of democratisation. Some argue that the state cannot maintain a legitimate monopoly of force in the absence of a democratic framework. If so, establishing democratic structures would be a requirement of state building.⁸

Are core state functions internally coherent or conflicting? Some studies suggest that it is possible to identify a single institutional /policy model for peacebuilding that has minimal internal trade-offs (economic recovery, democratic development, effective

⁶ Francis Deng et. al, 1996, *Sovereignty as responsibility : conflict management in Africa* Washington, D.C. : Brookings Institution.

⁷ Jack A. Goldstone et. al 2000, *State Failure Task Force Report: Phase III Findings* McLean, VA: Science Applications International Corporation (SAIC).

⁸ Jennifer Milliken and Keith Krause, 2003, “State Failure, Collapse & Reconstruction: Issues & Responses”, in Milliken (ed.) *State Failure, Collapse & Reconstruction* Oxford: Blackwell.

administration etc.)⁹ This view stresses the mutually reinforcing nature of various aspects of statebuilding (e.g. the interdependence between an efficient police and a functioning justice system). On another level, analysts have increasingly focused on the conflicting nature of important state functions in many post-conflict situations (e.g. between security and justice).¹⁰

13. Some of the policy- oriented literature has specifically set out to define a set of core state functions. This includes Ashraf Ghani, whose co-authored paper was presented to the joint World Bank/UNDP workshop in 2005. The paper presents a list of ten core state functions that “a sovereign state must perform in the modern world.” Yet the Ghani list is limited and reflects the author’s position as Finance Minister in the early phase of the Afghan reconstruction. Fully half of the ten functions relate to economic recovery and reform, including two on economic management, but not the question of equity. Elements of governance are only included in relation to economic management. The list is therefore relevant to issues of economic reform and governance, but is too restricted to serve a model for statebuilding more generally. Its applicability to post-conflict situations is further limited by the lack of reference to issues of (re)integration. As noted above, the capacity of a state to address issues of transitional justice, return of refugees and security sector reform are central to establish the new order and the post-conflict state on a legitimate footing.¹¹
14. The World Development Report 1997 focuses on a particular area of state activity, i.e. promoting economic development.¹² The report lists a number of state functions that are particularly relevant in this context and distinguishes between degree and kind of state. Degree refers to *which* functions a state should take on; kind refers to the capacity of the state to exercise whatever functions it takes on. The WDR matrix of state functions, running from minimal to maximal (called “activist”), is shaped by the interplay between the state and the market. The “core” is here partly defined by capacity; states should first undertake ‘minimal functions’ and at any rate only those which matches its capacity. Different matrixes have been developed for other purposes and contexts. As Francis Fukuyama notes, “we can array the scope of state activities along a continuum that stretches from the necessary and important to merely desirable, to optional and in certain cases counterproductive or even destructive.”¹³
15. Although there is no agreed-upon hierarchy of state functions, there is some consensus in the literature on the agenda of tasks for reconstruction in post-conflict states. The later work by Fukuyama is indicative. Security (including law and order) is first priority. Then follows (although in no particular order and often simultaneously) reconstruction of legitimate political authority, and reconstruction and economic development (including

⁹ Rolf Schwarz, 2005, “Security Welfare and Representation” *Security Dialogue* Vol 36 No 4.

¹⁰ IPA, 2006, *The Security-Development Nexus: Research Findings and Policy Implications*. Program report , February 2006, Christoph Zuercher, 2006, ‘Is more Better? Evaluating External-led Statebuilding after 1989’ *Paper prepared for presentation at the Graduate Institute of International Studies (HEI) Geneva, March 14th 2006* James K Boyce (ed.), forthcoming, *Peace and the Public Purse: Statebuilding after Violent Conflict*.

¹¹ Ashraf Ghani, Clare Lockhart, Michael Carnahan, 2005“Closing the Sovereignty Gap: an Approach to State-Building,” London: ODI.

¹² World Bank, 1997 *The State in a Changing World- World Development Report 199*, New York: World Bank / Oxford U.P.

¹³ Francis Fukuyama, 2004, *Statebuilding: Governance and the World Order in the Twenty First Century*, London: Profile books, p. 10-11.

restoration of basic services).¹⁴ The role of statebuilding, it seems to follow, is to ensure that the state develops the capacity to facilitate or undertake these tasks.

16. The equivalent consensus in the international policy community is probably the OECD principles on aid to fragile states. The principles operate with the concept of “core state functions” and go a long way towards defining these as “the most basic security, justice, economic and service delivery functions”. Aid to fragile states should maintain “a tight focus on improving governance and capacity” in these areas.¹⁵ The OECD principles clearly reflect a trade-off between the demands of consensus and specificity. While authoritative, the enumeration of core functions is so general as to be quite ambiguous. Along the same lines, but in the context of strategies for statebuilding in post-conflict countries, the participants to the joint Bank/UNDP workshop in September 2005 could only agree on a suggestive, non-exhaustive list with no particular order of priority. The list includes the functions proposed by Ghani discussed above, but the participants also agreed that transitional justice, the rule of law, security sector reform, and the needs of refugees and internally displaced persons were important issues that required state action in the aftermath of a conflict.¹⁶
17. When dealing with particular cases of state failure, the UN system has diagnosed problems and developed policies that in effect are premised on a concept of core state functions and revealed in the priorities and strategies undertaken. It is also recognized that both challenges and responses are heavily context determined, and differs, for instance, among Somalia¹⁷, Bosnia and Herzegovina¹⁸, and Afghanistan.¹⁹ As a result, no attempts have been made to issue an authoritative statement that generalizes with respect to the relative importance and sequencing of state functions in post-conflict situations.
18. The UN and the international aid community have nevertheless developed a set of widely accepted priorities and practices to deal with post-conflict situations. An increasingly standardized model of response has emerged over the past decade, often called “the liberal peace”. In its widest sense, the model incorporates the six categories of functions discussed below. The role of the state in ensuring that these functions are undertaken would vary according to particular post-conflict situations, but can be ranged along a minimalist-to-maximalist spectrum, from facilitation to direct implementation, according to the context of a given situation.

¹⁴ Francis Fukuyama, (ed.), 2006, *Nationbuilding: Beyond Afghanistan and Iraq* Baltimore, Md., London : Johns Hopkins University Press. For a similar analysis and recommendation, see Robert Rotberg (ed.), 2004, *When states fail : causes and consequences* Princeton, N.J. ; Oxford : Princeton U. P.

¹⁵ OECD/DAC, op. cit.

¹⁶ See World Bank/UNDP, 2005, ‘Rebuilding Post-Conflict Societies: Lesson from a Decade of Global Experience’ *Workshop Report, New York 19-21st September 2005*, p.7.

¹⁷ See “Report of the Secretary-General on the Situation of Somalia,” S/2006/122 (21 February 2006); “Letter from the Chairman of the Security Council Committee established pursuant to resolution 751(1992) concerning Somalia addressed to the President of the Security Council,” S/2003/1035 (4 November 2003).

¹⁸ United Nations Development Program, 2002, “Human Development Report 2002” New York: UNDP.

¹⁹ See “Report of the Secretary-General on the situation in Afghanistan and its implications for international peace and security,” A/60/712 - S/2006/145 (7 March 2006).

Six categories of state functions

19. Drawing on this literature and the associated policy debate, we can identify six categories of functions associated with stabilizing the transition from war to peace. The mapping of peace agreements that follows uses a matrix based on these categories. They are:

- security
- public administration and governance
- justice (including human rights)
- economic recovery and reform
- political representation and accountability
- postwar integration

Security

20. Providing physical security is widely considered the most fundamental responsibility of the state, indeed its *raison d'être* as Hobbes claimed some four hundred years ago. In a recent formulation, the responsibility to provide security is considered so important that failure to protect citizens is a legitimate reason for foreign intervention.²⁰ The ability to provide security is the defining characteristic of the term “the *post-conflict* state” (as otherwise it would be a “conflict state”). This is also the area – lately known as Security Sector Reform (SSR) – where the international aid community perhaps is in most agreement on the design of suitable institutions strategies. SSR typically includes reform and restructuring of core security actors, security management and oversight bodies, law enforcement bodies and non-statutory security forces.²¹

21. The provision of internal security represents a two-fold challenge to the state. The state has an obligation to protect its citizens from violence inflicted by non-state actors and regulate their right to self-defence. At the same time, the state must not itself inflict violence on its subjects that is illegal or violates human rights norms.²² The capacity of post-war states to achieve this dual goal varies greatly. Some states, such as Guatemala, required reforms mainly in the latter area, whereas other states, such as Afghanistan and Sierra Leone, have been deficient in both regards.

22. Deciding which party should have monopoly of force is most fundamentally what civil wars are all about. (Re) establishing a legitimate monopoly in the aftermath of the war is critical but often very difficult. The feasibility and desirability of including SSR provisions in a peace agreement depends greatly on the balance of forces at the time of the peace negotiations. This also affects the prospect for implementation. In Guatemala, for instance, the relative strength of the state armed forces and its militias, as well as factional interests within the state, made it difficult to implement reforms stipulated in the peace agreement. In Afghanistan, the Bonn agreement said virtually nothing about disarmament of the victorious military factions, and the losing party (Taliban) was not a signatory to the

²⁰ International Commission on Intervention and State Sovereignty (ICISS) 2001 *Responsibility to Protect* available at <http://www.iciss.ca/report-en.asp>.

²¹ Department for International Development (DFID), 2000, Security sector reform: Review of the role of external actors. *Discussion Paper 2*, London: DFID.

²² Tobias Debiel and Ulf Terlinden, 2005, ‘Promoting Governance in Post-Conflict Societies’ *Discussion Paper*, GTZ.

agreement at all.²³ These omissions reflected the political realities on the ground at the time. In Bosnia, provisions for reform of the various armed forces were included in the Dayton agreement, but slowly and partially implemented.²⁴ In some cases, a peace agreement has required restructuring of police forces according to ethnic criteria that have been difficult to implement (e.g. Guatemala). Many analysts find a gap between what is desirable to include in a peace agreement from a purely security perspective and what is political desirable and feasible.

Public Administration and Governance

23. Public administration relates to the execution of state policies and the management of its resources. Effective public administration is widely considered important for both legitimacy and development. Current priorities of the international aid community in post-conflict situations usually include civil service reforms, financial management reforms, and establishment or reform of revenue collection mechanisms.²⁵ However, there is no 'minimum list' of functions or single model for administration and institutional development.²⁶ Concepts and categories used are sometimes fuzzy. 'Good governance' depends on, or sometimes is seen to include, mechanisms for ensuring transparency and political accountability. Similarly, public administration and provisions of economic recovery and reform are closely related, as the latter is dependent on and thus overlap with the former.

Justice

24. Justice reform is often viewed as a critical but underdeveloped dimension of post-conflict statebuilding.²⁷ Apart from political measures such as constitutional control over the executive branches of government, administrative measures introduced in many post-conflict situations include reforms of the courts and the judicial administration, capacity building in the legal field, and measures to ensure equal access to the legal system. In cases where conflict has been accompanied with massive violence, there is typically a need for prison and penal system reform (as in Rwanda and Afghanistan).

Economic Reform and Recovery

25. Recent years have seen a growing interest in the economic aspects of peacebuilding. In aggregate terms, there is a clear, positive relationship between high levels of national income and peace (in the sense of the absence of civil war)²⁸ There are no equivalent "hard" findings about what are the most appropriate economic policies to stabilize a peace agreement in the short run and sustain the peace in the longer run.

²³ CMI, 2004, "Conflictual peacebuilding: Afghanistan two years after Bonn", Bergen: *CMI Report 2004*: 4.

²⁴ Susan Woodward, 1999. "Bosnia and Herzegovina: How Not to End Civil War." In *Civil Wars, Insecurity and Intervention*, in Barbara Walter and Jack Snyder (eds.) New York: Columbia University Press.

²⁵ Ghani et. al. op cit.

²⁶ Merilee Grindle 2005 *Good Enough Governance Revisited* A report for DFID with reference to the Governance Target Strategy Paper, 2001.

²⁷ William G. O'Neill, 2005, *Draft Paper* for International Council on Human Rights Policy, Review Meeting, Belfast 2005, *Role of Human Rights in Peace Agreements*.

²⁸ Paul Collier et. al., 2003, "Breaking the Conflict Trap: Civil War and Development Policy," *World Bank Report*.

26. The defining issue in this debate concerns the relationship between economic recovery and peacebuilding objectives. One set of arguments conclude that structural economic reform and sound macro-economic policies are necessary to sustain peace in the long run. This view is reflected in the emphasis of donors and the IFIs on post-war strategies of liberalization and privatization and the importance of macroeconomic stabilisation to support private-sector led growth. Critics argue that rapid marketisation can undermine a fragile stability²⁹ and that economic policies must also reflect the need to stabilize peace in the short run.³⁰ Immediate peace requirements can include financing of key provisions of the peace agreement, employment creation (in order to create stability and to counter the legacy of the ‘war economy’ by providing alternative livelihoods) and distributive requirements (to hinder tension between groups)³¹ While such policies may conflict with principles of economic efficiency they will likely strengthen the ‘peace dividend’ and thus have a stabilizing effect. However, some argue that the peace promoting credentials of ‘quick impact projects’ are hitherto unproven³² and that they must be designed with regards to their likely impact on actual dynamics on the ground.³³
27. Another issue concerns the role of post-war state in the recovery process. Should the state only provide the ‘enabling conditions’ for market –led reconstruction and development, or play a larger role? In cases where war has produced a weak or collapsed state apparatus, as in Afghanistan, actual policy has been to follow the principle articulated by the World Bank for general development policies³⁴ i.e. to only give the state functions which it has the capacity to execute. The counter-argument is that prolonged war is likely to have weakened private sector institutions as well. Hence the state must be built up to undertake a range of productive activities that go beyond basic regulatory functions.³⁵

Political Representation and Accountability

28. The political dimension of post-conflict states relates to the mechanisms and frameworks for decision-making. Their formal design is widely discussed in the literature. Principal debates relate to:

- *centralised versus decentralised:*

29. A decentralised political structure is sometimes regarded as suitable for post-conflict situations because it has the potential to strengthen accountability and accommodate regional demands for autonomy.³⁶ On the other hand, a centralised state might be able to act as a counterweight to illegitimate local rulers (such as ‘warlords’) and to protect minorities.³⁷ Decentralization is subject to capture by local elites that are neither

²⁹ Roland Paris, 2004, *At Wars End: Building Peace After Civil Conflict* Cambridge: Cambridge University Press.

³⁰ James Boyce, 2002, *Investing in Peace: Aid and Conditionality after Civil Wars* Oxford: Oxford UP for the International Institute for Strategic Studies.

³¹ Michael Pugh and Neil Cooper, with Jonathan Goodhand, 2004, *War economies in a regional context: Challenges of transformation* Boulder/London: Lynne Rienner Publisher.

³² Susan Woodward, forthcoming, *Why Statebuilding? Towards a Conceptual Framework*.

³³ Vance Culbert, 2005, Civil Society development versus the peace dividend: international aid in the Wanni Disasters 29 (1).

³⁴ World Bank, 1997 ‘The State in a Changing World’, *World Development Report 1997*.

³⁵ Jonathan Goodhand and Chris Cramer, 2003, ‘Try Again, Fail Again, Fail Better? War the State and the Post-Conflict Challenge in Afghanistan’ in Jennifer Milliken (ed.) *State Failure, Collapse and Reconstruction* MA, Oxford, Melbourne: Blackwell, Pugh and Cooper, 2004, op cit;

³⁶ Charles T. Call and Susan Cook, 2003, “On Democratisation and Peacebuilding”, *Global Governance* 9 (2)

³⁷ Centre on International Cooperation (CIC), 2004, ‘New Thinking on State Formation and Peacebuilding’

representative nor accountable. Realizing the positive effects of the scheme requires good management.

- *democracy versus authoritarian systems*

30. While democratic institutions is associated with stability and state legitimacy in the long run, processes of democratisation has historically been associated with instability.³⁸ The distinction between ‘input legitimacy’ (derived from political representation) and ‘output legitimacy’ (derived from results) is useful here; some analysts suggest that a focus on output legitimacy is most appropriate for post-war states.³⁹ However, this would depend on the nature of the conflict. “Output legitimacy” will likely be ineffective if lack of political representation was a major cause of conflict in the first place. The *timing* of elections is much debated issue in the literature. Early elections can be instrumental in establishing a legitimate postwar government, but can also have negative effects (as in Bosnia, Tajikistan and, earlier, in Liberia⁴⁰). A growing literature also addresses the question of the *design* of the democratic model, and the implications of various designs (e.g. presidential vs. parliamentary) for differently structured societies.

- *group versus individual rights and recognition*

31. Identifying which institutional structures are most conducive to intergroup relations is a long-running debate in political science, especially in the ‘ethnic conflict’ literature. The consociational approach⁴¹ favours group rights such as veto powers in order to ensure minorities a share of political power. In contrast, Horowitz⁴² advocates institutional design that rewards intergroup cooperation and modify extremism. Others have suggested that strong individual based strategies but with some provisions to ensure group rights, proportional representation, protection for cultural sensitivities is the best way to facilitate harmony.⁴³

Post-war integration

32. The ability of the state to address issues of transitional justice is considered by some a priority state function in the immediate aftermath of conflict.⁴⁴ However, the appropriate strategies remain debated, and the result of a given approach is heavily context-determined.⁴⁵ That applies in particular to transitional justice issues. While addressing such issues are considered important for the legitimacy of the new order, including the state, it can also generate conflict and undermine that order.

Meeting Note, Program on Post-Conflict Statebuilding.

³⁸ Edward D Mansfield and Jack Snyder, 2004, *Electing To Fight. Why Emerging Democracies Go To War.* Cambridge: MIT Press.

³⁹ Monika Francois and Inder Sud, 2006, “Promoting Stability and Development in Fragile States” *Development Policy Review*, 24 (2).

⁴⁰ Terrence Lyons, 2004, ‘Post-conflict Elections and The Process of Demilitarizing Politics: The role of Electoral Administration’ *Democratization* 1 (3).

⁴¹ Arend Lijphart, 1977, *Democracy in Plural Societies: A Comparative Exploration* New Haven: Yale University Press.

⁴² Donald L Horowitz, 1985, *Ethnic Groups in Conflict* Berkeley, London : University of California Press.

⁴³ Donald Rotchild, 2002, ‘Settlement Terms and Post agreement Stability’ in Stedman. Rotchild and Cousens *Ending Civil wars: The Implementation of Peace Agreements* Boulder, London: Lynne Rienner.

⁴⁴ World Bank/UNDP, 2005, op cit;

⁴⁵ Elin Skaar, Siri Gloppen and Astri Suhrke (eds.) ,2005, *Roads to Reconciliation* Lanham, Maryland: Lexington Books.

33. The return or resettlement of refugees and internationally displaced people is generally considered an important signifier of peace⁴⁶ although the impact on peace consolidation can vary from case to case.⁴⁷ The reintegration of ex-combatants, whilst ultimately depending on the overall developmental process in the country, is widely recognised as a priority task in order to consolidate peace.⁴⁸

3. Peace agreements as basis for post-conflict statebuilding

34. As noted at the outset, peace agreements can in some situations serve as a useful roadmap for post-war statebuilding. Whether or not to include provisions for statebuilding in peace agreements, however, typically involves difficult trade-offs. In the policy discourse, these are seen as effectiveness versus sovereignty; in the academic literature a similar trade-off between effectiveness and legitimacy is recognized. The literature also suggest trade-offs with respect to short term goals (of ending the war), and long-term objectives (of sustaining the peace). Importantly, the academic literature contains few systematic studies of the consequences of including or excluding statebuilding provisions in a peace agreement. There are some valuable single-case studies, but only a few rigorous, comparative studies. This limits the possibility for generalizing across cases.

35. Both the academic literature and the policy discourse have focused on the role of peace agreements in relation to broader peacebuilding issues rather than statebuilding as more narrowly understood. In other respects the two discourses are structured differently and will therefore be discussed sequentially.

The academic literature

The functions of peace agreements

36. Peace agreements are seen to have both 'past and present' functions. They must end the war and at the same time lay the foundation for sustainable peace.⁴⁹ Traditionally, most studies on intrastate peace agreements have concentrated on the first function, assessing whether an agreement succeed in ending violence and prevented a relapse into war. This focus has shaped the more recent literature as well, which has concentrated on how agreements can provide incentive structures for the belligerents to stop fighting.

37. Nevertheless, there is an emergent literature which recognizes that beyond short term bargains between the fighting forces, sustainable peace requires long term changes. This literature has produced three conclusions: (i) calls for greater policy harmonization or inter-agency coordination in the process of ending the conflict and laying the foundation for post-war peace, (ii) warnings that including provisions regarding post-war

⁴⁶ Christine Bell, 2006, *Negotiating Justice? Human Rights and Peace Agreements*. International Council on Human Rights Policy, Geneva.

⁴⁷ Howard Adelman, 2002, 'Refugee Repatriation' in Stedman S, Rotchild D, Cousens E M (eds.) *Ending Civil wars: The Implementation of Peace Agreements* Boulder, London: Lynne Rienner.

⁴⁸ Mats Berdal, 1996, "Disarmament and Demobilisation After Civil Wars: Arms, Soldiers and the Termination of Armed Conflicts", *Adelphi Paper 303*, International Institute for Strategic Studies, Oxford: Oxford University Press.

⁴⁹ Oliver Ramsbotham, Hugh Miall and Tom Woodhouse, 1999, *Contemporary Conflict Resolution* Cambridge: Polity Press, Eva Bertram, 1995, 'Reinventing Governments: The Promise and Perils of United States Peace Operations' *Journal of Conflict Resolution* 39 (3).

statebuilding into a peace agreement may rest on uncertain legitimacy, and (iii) doubt whether including provisions for post-war statebuilding has any effect on the postwar transition at all.

38. The now-classic example of the first category is a well known article by De Soto and del Castillo that assessed the peace process in El Salvador.⁵⁰ The authors called for greater harmony between the obligations of the peace agreement and post-war economic policies, and, specifically, greater coordination between what they called the UN and the Bretton Woods processes. They argued that the implementation of two central aspects of the accords - the establishment of a new police force and the reintegration of ex-combatants through the 'arms for land' programme - had been jeopardized by the lack of funding, thereby potentially destabilising the peace. Famously, the authors compared the situation where the UN worked on the peace process and the IFIs on a stabilisation programme with a patient laying 'on the operation table with the left and the right sides of his body separated by a curtain and unrelated surgery being performed on each side.' The solution, as they saw it, was greater agency coordination (which in this case meant the IFIs should have used more flexible financing criteria for post-war aid). The authors did *not* conclude that provisions to this effect should have been incorporated in the peace agreement itself. In fact, they did not raise the issue at all, even though other aspects of post-war economic policy were included in the agreement for El Salvador (a social fund to compensate for losses incurred by structural adjustment). Likewise, Boyce in his work on "peace conditionality" emphasizes the need to align post-war economic policies with the obligations of the peace agreement, but does not conclude that this necessarily requires incorporating such provisions in the peace agreement.⁵¹
39. Other analysts go further. Including economic and institutional reforms in peace agreements, they argue, is an opportunity to legally anchor reforms necessary for long term stability. Coats concludes that the currency board mandated in the Dayton agreement 'took a bone of contention off the table' by eliminating the possibility of central bank lending.⁵² With regards to judicial reform, O' Neill claims that the moment 'surrounding a peace agreement offers a unique opportunity' to promote judicial independence.⁵³ The absence of provisions for judicial reform in the Dayton Agreement, he suggests, helps explain why such efforts came so late in Bosnia. However, he also acknowledges that inclusion by itself is not sufficient for implementation, as the Guatemala case shows.
40. The Dayton Agreement more generally is often cited to show the problematic aspects of specifying a range of post-war statebuilding mechanisms in a peace agreement. The legitimacy of the domestic signatories may be in doubt (which could pose problems of implementation), and their role in shaping the peace agreement may freeze conflictual political structures in the form of questionable power sharing agreements.⁵⁴ There is also a practical issue. Detailed provisions for designing post-war structures or policies should ideally rest on a comprehensive needs assessment on this ground, but this is difficult to undertake in a pre-settlement environment.

⁵⁰ Alvaro de Soto and Graciana del Castillo, 1994, "Obstacles to Peace Making" *Foreign Policy*. Spring, 1994, 14, p. 74.

⁵¹ James Boyce, 2002, op cit;

⁵² Warren Coats, forthcoming, "Monetary Policy Issues in Post Conflict Economies" in James K Boyce (ed) op cit;

⁵³ O' Neill, op cit;

⁵⁴ International Peace Academy (IPA) 2003 'The Future of UN Statebuilding: Strategic and Operational Challenges and the legacy of Iraq' *Policy Report Nov 2003*.

41. There is at present little systematic knowledge regarding the consequences of including (or not) various state-and peacebuilding aspects in peace agreements. The studies we do have on human rights provisions suggest there are few consequences. Examining 16 peace agreements, Putnam found weak or non-existent correlation between presence of human right provisions in the agreement and the quality and quantity of human rights protection afterwards.⁵⁵ In cases where peace processes reached the stage of drafting a constitution, this document would always contain substantive human rights elements whether or not such provisions had been included in the peace agreement. A more recent, major study analysed the role of human right provisions (institutional provisions such as judicial and security sector reform as well as the human rights framework,) in the mediation and wider peacebuilding processes of eight countries.⁵⁶ Capturing intervening variables such as the intensity and nature of the conflict, the resources and willingness to implement the agreement, the study concludes on a cautious and ambiguous note. It does not find a clear causal link between the inclusion of human rights provisions and subsequent human rights protection, yet recommends that as strong a human rights framework as possible be included in the agreement (except in cases where the negotiating parties lack legitimacy).
42. Individual case studies have examined the causality of incomplete implementation. The peace agreement of Guatemala, for instance, contained perhaps unprecedented provisions for post-war socio-economic reform (including taxation and land rights) and a broad commitment to political and social transformation towards greater democracy, equity and inclusion. Yet key provisions have not been implemented. Stanley and Holiday conclude that the commitments made by the government were broad and vague - just sufficient to end the war, but lacking in detail that could serve as basis for verification.⁵⁷ For instance, the accords provided for a 50 percent increase in tax ratio but did not specify tax measures to be adopted.⁵⁸ Many provisions, moreover, were further dependent upon constitutional reform, which was rejected in a referendum.
43. The accords in El Salvador also contained provisions for economic recovery and reform, but these were mainly targeted to the goal of ending the war by helping ex-combatants and war-affected communities. The provisions had little relation to subsequent peacebuilding and development strategies of the country.⁵⁹ These were left to be formulated by the elected bodies after democratic political reforms. Likewise, provisions for future socio-economic development in the accords were general in nature and the subject referred to the future deliberations of a tripartite Social and Economic Council. As it turned out, this Council proved ineffective in addressing what was seen as fundamental causes of the war.⁶⁰

⁵⁵ Tonya L. Putnam, 2002, "Human Rights and Sustainable Peace" in Stephen Stedman Donald Rotchild and Elizabeth Cousens (eds) *Ending Civil wars: The Implementation of Peace Agreements* Boulder, London: Lynne Rienner.

⁵⁶ Bell, op cit; The countries were Bosnia-Herzegovina, Burundi, Cambodia, El Salvador, Guatemala, Mozambique, Northern Ireland and Sierra Leone.

⁵⁷ William Stanley and David Holiday, 2002, "Broad Participation, Diffuse Responsibility: Peace

Implementation in Guatemala" in Stephen Stedman Donald Rotchild and Elizabeth Cousens (eds.), op cit;

⁵⁸ *Pablo Rodas Martini* (forthcoming) "Building Fiscal Provisions into Peace Agreements: A cautionary tale from Guatemala," in James K. Boyce (ed.) forthcoming, op cit;

⁵⁹ Ricardo Córdova Macias, 2001, "Demilitarizing and Democratizing Salvadoran Politics" in Studemeister, M S (ed.) *El Salvador: Implementing the Peace Accords* Washington DC: United States Institute of Peace, Antonio Canas and Hector Dada, 1999, "Political Transition in El Salvador" in Cynthia J. Arnson (ed.). *Comparative Peace Processes in Latin America*. Stanford: Woodrow Wilson International Center for Scholars.

⁶⁰ Hilde Salvesen, 2002 'Guatemala: Five years after the Peace Accords- The challenges of implementing peace'

44. The security reforms in the El Salvador accords, by contrast, were both specific and comprehensive, and more so than the equivalent provisions in the Guatemala accords with which they are often compared. The El Salvador accords, for instance, call for the establishment of an entirely new police force, while the Guatemalan accords simply provided for the restructuring of old police forces. Critics have regarded the provisions in the Guatemalan accords on this point as inadequate in relation to the requirements of post-war state- and peacebuilding, but recognize the reasons for the inadequacy. The asymmetrical power relations between the negotiating parties in Guatemala gave the guerrillas little leverage on the government with regards to both the nature of the provisions and the subsequent implementation.⁶¹

Balancing long-term and short term objectives

45. Including provisions for post-war reforms may at times appear to jeopardize the prospects for reaching a settlement. The familiar predicament has been described as a disagreement between ‘conflict managers and democratisers’, with the former emphasising reconciliation and a swift end of violence, and the latter concentrating on the longer term solutions and addressing the root cause of the conflict.⁶² The issue has been extensively debated in the literature with regard to war crimes prosecutions (‘peace versus justice’); similar dilemmas apply to post-war statebuilding more generally.⁶³

46. Including provisions for democratization and economic reforms can complicate negotiations and hinder the immediate stabilization of peace. Some analysts find that peace agreements typically carry “what the traffic can bear” and leave many of the key issues unresolved in the interest of reaching a compromise to end the war. Thus, Ball argues that in the case of the 1994 Lusaka protocols, mediators faced a choice between a flawed agreement, which left out the status of Joseph Savimbi and control over Angola’s natural resources, or no agreement and a continuation of the violence.⁶⁴ Similar cases have been cited. Seeking to obtain a comprehensive agreement in Sudan that would address the relationship between central authority and marginalized groups throughout the country arguably would have meant the end of the government and thus was unrealistic in the short term.⁶⁵ Had the FMLN insisted upon provisions for comprehensive socioeconomic change in El Salvador’s peace accords, the negotiations probably would have collapsed.⁶⁶ Some analysts conclude that peace agreements entailing negotiated settlements (as distinct from a victor’s peace) must give priority to short term issues for ending the violence.⁶⁷ In continuation of this analysis, several studies discuss incentive structures that could be incorporated in peace agreements to hasten the end of the war or prevent its recurrence.⁶⁸

A Report for the Norwegian Ministry of Foreign Affairs, March 2002.

⁶¹ Salvesen, op cit;

⁶² Pauline H. Baker, 2001, ‘Conflict Resolution versus Democratic Governance’ in Chester A. Crocker, Fen Osler Hampson, Pamela R. Aall (eds.) *Turbulent Peace The Challenges of Managing International Conflict*. Washington, D.C.: USIP.

⁶³ IPA, 2003, op cit;

⁶⁴ Nicole Ball, 2001 ‘The Challenge of Rebuilding War-torn Societies’ in Crocker Hampson and Aall (eds.) *Turbulent Peace The Challenges of Managing International Conflict*.

⁶⁵ Mariam Jooma, 2005, “Feeding the peace: Challenges facing human security in post-Garang Sudan” Institute for Security Studies, *Situation report*, August 2005.

⁶⁶ Charles Call, 2002, “Assessing El Salvador’s Transition from Civil War to Peace” in Stephen Stedman, Donald Rotchild and Elizabeth Cousens (eds.), op cit.

⁶⁷ Stephen Stedman, 2002, “Introduction”, in Stephen Stedman, Donald Rotchild and Elizabeth Cousens (eds.), op cit.

⁶⁸ Caroline A. Hartzell, 1999, “Explaining the Stability of Negotiated Settlements to Intrastate War” *Journal of*

47. The literature on incentives structures to end wars also points to some implications of introducing a post-war agenda for statebuilding and peacebuilding into the peace negotiations. Power-sharing may be necessary to end the war and as such constitutes a key element in peace agreements. In a narrow sense, power-sharing refers to an ‘elite pact’ where the main protagonists agree to join in a transitional national unity government and permit “normal” politics to resume.⁶⁹ Nonetheless, it is recognized that such arrangements are undemocratic and could consolidate the positions of unrepresentative leaders, thereby undermining long-term reform and compromising the effectiveness of transitional governance or stability.⁷⁰
48. In a broader sense, power-sharing refers to institutional arrangements that in principle are designed to ensure group rights with regard to issues such as representation, protection and welfare.⁷¹ Such provisions are meant to facilitate both the cessation of hostilities and – as elements of post-war peacebuilding – to prevent a relapse into war. The downside of locking such provisions into a peace agreement is a reification of group differences that makes it difficult to transcend differences that contributed to or were sharpened by the war. Moreover, a key feature of power-sharing is extensive mutual veto powers, which may paralyse policymaking and undermine long-term state effectiveness.⁷² This is widely seen to be the effect of the Dayton agreement in Bosnia.⁷³
49. Incentives for peace and related post-war statebuilding, it is often argued, must take into account the underlying causes of the conflict. One recent distinction developed in this respect with reference to Africa is between *conflicts of government* (which are driven by self interest and fought over government positions) versus *conflicts of governance* (which are “fuelled by contested policies and fought over conflicting collective interests.”)⁷⁴ (The conflicts in the Democratic Republic of Congo and Sierra Leone are cited as example of the former, the North-South conflict in Sudan is a case of the latter. If perpetrators of violence lack strong popular bases and collective agendas, power-sharing agreements and similar incentive approaches could mean rewarding violence and perpetuate war. Somalia is referred to as an example.⁷⁵ In these cases, it is suggested, peace agreements should be as vague as possible in order to prevent the freezing of unrepresentative demands. Including civil society actors is relevant, as their empowerment and participation is likely to increase the legitimacy of the peace agreement.⁷⁶

Conflict Resolution Vol 43 (1), Barbara Walter, 2002, *Committing to Peace-The Successful Settlement of Civil Wars* Oxford Princeton: Princeton University Press.

⁶⁹ Emeric Rogier, 2004, *Rethinking Conflict Resolution in Africa Lessons from the Democratic Republic of Congo, Sierra Leone and Sudan*. Clingendael, Conflict Research Unit, July 2004.

⁷⁰ Kings College, 2003, 'A Review of Peace Operations: a Case for Change' Conflict, Security and Development Group (CSDG), Kings College.

⁷¹ Rogier, op cit.

⁷² Rotchild, 2002, “Settlement Terms and Post Agreement Stability” in Stephen Stedman, Donald Rotchild and Elizabeth Cousens (eds.), op cit., p. 117, Timothy Sisk, 2003, “Power-Sharing after Civil Wars: Matching Problems to Solutions” in Darby J, MacGinty R (eds) *Contemporary Peacemaking- Conflict, Violence and Peace Processes*, Basingstoke: Palgrave Macmillan, p. 140.

⁷³ IPA , 2003, op cit.

⁷⁴ Rogier, op cit, p. 5.

⁷⁵ Ken J. Menkhaus, 2000, “Traditional Conflict Management in Contemporary African Crises: Theory and Praxis from the Somali Experience.” in *Traditional Cures for Modern Conflicts: African Conflict Medicine*, William Zartman, (ed.) Boulder: Lynne Rienner Publications.

⁷⁶ Rogier, op cit.

The policy debate

50. In the United Nations, as noted above, the broader term “peacebuilding” is generally preferred to ‘statebuilding, but general statements on the role of peace agreements in authorizing support for peace operations would apply to statebuilding as well. Some member state have been concerned that including peacebuilding provisions in a peace agreements could in effect authorize a foreign intervention. In this respect, the General Assembly, responding to the Secretary-General’s *An Agenda for Peace*, adopted a resolution that acknowledged the usefulness of the post-conflict peacebuilding activities provided that such activities were undertaken on the basis of agreements ending conflicts or reached after conflict, or at the request of the government concerned.⁷⁷ In his supplemental report, the Secretary-General acknowledged that peace agreements can provide the legal basis for UN authorization to intervene in a conflict-affected country to implement post-conflict activities.⁷⁸ Nearly a decade later, the representative of the Russian Federation in a Security Council touched both sides of the argument in a Security Council debate: “the process of peace-building can be successfully developed only in strict compliance with a peace agreement or other document settling a conflict.”⁷⁹
51. Some member states have argued that peace agreements provide a framework for the post-conflict period and consequently should include peace-and statebuilding provisions. A related view is that peace agreements should explicitly provide links to Security Council authorization of subsequent peace operations. Thus, the Security Council in its resolution 1327(2000) urged parties to prospective agreements that included regional and sub-regional organization and arrangements to cooperate fully with the United Nations from an early phase in the negotiations in the event UN peacekeeping operations would be required.⁸⁰ During a debate preceding the resolution, the representative of the United Kingdom stated that if the international community wanted UN mandates to determine the framework of the post-conflict period and include peace-building elements, “the international community needs to insert peace-building elements into the peace agreement.”⁸¹ The Germany representative agreed, arguing that “to have successful peace missions, peace-building components, such as post-conflict governance and elements for economic stabilization, should be included early on in peace agreements.”⁸² Speaking from its national experience, the Guatemalan delegation concluded that “the inclusion of peace-building strategies in the Guatemalan Peace Agreements had constituted a road-map showing the direction of global effort at building and consolidating peace in Guatemala.”⁸³
52. The main argument for including peace-building strategies in peace negotiations and accords is that they provide a legal and political basis for subsequent peace consolidation activities. *An Agenda for Peace* concludes that peace agreements can contribute to peace

⁷⁷ General Assembly, A/RES/47/120B (20 September 1993), Section V, OP5.

⁷⁸ “Supplement to an Agenda for Peace: Position Paper of the Secretary-General on the Occasion of the Fiftieth Anniversary of the United Nations,” S/1995/1 – A/50/60 (25 January 1995).

⁷⁹ See “Statement by representative of the Russian Federation at the Open Meeting of the Security Council on Peacebuilding towards a Comprehensive Approach,” S/PV.4272 (5 February 2001).

⁸⁰ Security Council, S/RES/1327 (2000) (13 November 2000).

⁸¹ See “Statement by representative of the United Kingdom at the Open Meeting of the Security Council on No Exit Without Strategy,” S/PV.4223 (6 November 2000).

⁸² See “Statement by representative of Germany at the Open Meeting of the Security Council on No Exit Without Strategy,” S/PV.4223 (6 November 2000).

⁸³ See “Statement by representative of Guatemala at the Open Meeting of the Security Council on Peacebuilding: A Comprehensive Approach,” S/PV.4272 (5 February 2001).

building by including provisions for reforming or strengthening governmental institutions and promoting political participation.⁸⁴ Almost ten years later, the UN Secretary-General took a similar position. At the 2001 Fourth High-level UN-Regional Organizations Meeting on the Framework for Cooperation in Peace-building, the Secretary General proposed a process to ensure that peace settlements mediated by the United Nations and regional organizations included commitments by the parties to the conflict to concerted post-conflict action with respect to good governance, democratization, human rights and sustainable development.⁸⁵ The Secretary-General further urged all relevant peace-building actors to come together early in the negotiations in order to ensure effective implementation and avoid duplication of efforts. His position was endorsed by the Security Council in a statement by the president, which encouraged the UN and regional organizations to establish consultative processes designed to ensure that peace agreements mediated by these organizations included commitments by the conflicting parties to take concerted action on post-war peace-building.⁸⁶ The statement stressed the need to identify such areas at early stages of the negotiation process.

53. As for the inclusion of statebuilding provisions relating to economic and governance issues – which is the subsidiary focus of this study – the subject has not been specifically or systematically addressed in the policy debate in the UN. The general perspectives cited above suggest the general advantage of forward-looking negotiations that address post-conflict issues in the negotiations and, where there is agreement, reference them in the accords. The office of the Secretary-General has been consistent in this respect. Member states have expressed diverse views; the discussion on this point has followed the general debate on sovereignty and intervention.
54. Officials in the UN and international development agencies interviewed for this study cautiously favoured inclusion of statebuilding provisions in a peace agreement as a basis for implementing post-conflict programs. Such provisions could serve as a “hook” for subsequent programs and policies. Yet most respondents recognized there was a trade-off: including provisions was desirable provided this would not adversely affect the peace negotiations. Moreover, some officials strongly cautioned that ownership was essential. Peace agreements could only be implemented if they rested on a carrying consensus in the country concerned, both at the time of negotiations and during the implementation phase. Unless or until such a consensus had developed, the effect of including certain provisions would be nil or even counterproductive. Some officials stressed that statebuilding concerned issues of economic and political power that in most war-torn countries had been central to the conflict itself. To develop a sense of national ownership of reforms – which was crucial for their effectiveness – typically took time. The best peace agreements therefore were iterative and flexible, providing a framework for evolving national ownership of statebuilding as well as broader peacebuilding strategies. Other officials argued that outside agents could play a constructive role in encouraging the local parties to accept difficult but necessary post-conflict programs, including what one called “economic peacekeeping”. Anchoring such programs a peace agreement would provide a legitimate and early start for post-conflict programs.

⁸⁴ “Report of the Secretary-General on Preventive Diplomacy, Peacemaking and Peacekeeping (An Agenda for Peace),” A/47/277 – S/24111 (17 June 1992).

⁸⁵ See “Letter from the Secretary-General addressed to the President of the Security Council,” S/2001/138 (12 February 2001).

⁸⁶ “Statement of the President of the Security Council in connection with the Council’s consideration of the item entitled Peacebuilding: A Comprehensive Approach,” S/ PRST/2001/5 (20 February 2001).

55. Unlike other IFIs and aid agencies, the World Bank has taken some steps to develop its position on statebuilding and peace agreements. The Bank's African Conflict and Development Team, for instance, has reviewed the participation of the Bank in a series of mediation processes and found it contributed substantively to the peace negotiations, e.g. providing technical advice on DDR and wealth sharing arrangements and by contributing to capacity building of the negotiating parties.⁸⁷ Work in this area is consistent with the decision of its board of directors in January 2006 that endorsed peacebuilding and statebuilding as central goals for the Bank's engagement in fragile states, and builds on earlier work in the Bank in a unit established to deal with support for Low Income Countries under Stress (LICUS).

4. Conclusions

56. The role of peace agreements as tools for post-conflict peacebuilding has been increasingly affirmed in the UN and the international aid community since first articulated in *An Agenda for Peace*. Forward-looking peace agreements can provide a political and legal basis for reforms that will help sustain the peace. Peace agreements can serve as roadmaps for reforms by shaping the policy agenda, creating a momentum towards change, forging a compact between external aid agencies and host country authorities, and legitimating reforms by juxtaposing the war-torn past with the promise of future peace. Yet peace agreements also have other functions – above all to end a war – and these may work at cross-purposes with the demands of peacebuilding for the future. The trade-offs are widely recognized in both the literature and the policy community. They concern feasibility, legitimacy and ownership. Peace agreements can collapse before they are signed if overloaded with a large or controversial agenda for post-war reforms. Agreements that include reforms which lack a carrying consensus in the host country will also lack in local ownership and legitimacy. In some cases, iterative and process-oriented agreements can provide the right balance between standard-setting and flexibility. However, there is no general rule for what constitutes an optimal peace agreement with respect to its incorporation of post-conflict reforms.

57. Most peace agreements in fact accommodate an agenda for post-conflict reforms. In these cases, which reforms are most important for the kind of statebuilding that will help sustain the peace? The term “core state functions” has increasingly been used in the policy discourse, although much less so in the theoretical literature. In both cases, however, it is recognized that the modern state has to undertake certain basic functions in order to justify its existence. The putative OECD definition of “core state functions” refers to these as “security, justice, economic and service delivery functions.” The related understanding of a “failed state” is precisely the lack of capacity or will to do this. Contemporary concepts of statebuilding go further to emphasize the *kind* of state and not only its *degree*. In this view, whatever functions are exercised should be done under conditions of accountability and transparency.

58. Additional standards are set for the post-conflict state. Since civil war by definition entails the rupture of the social contract and collapse of state legitimacy, the most fundamental

⁸⁷ See “Timing and Quality of World Bank Engagement: Experience in Conflict Mediation,” Draft Discussion Paper, Africa Conflict and Development Team, Washington D.C., World Bank, n.d.

task of the post-conflict state is to restore both. Except when settlements entail territorial separation, statebuilding after civil wars require special attention to issues of reintegration. This concerns not only reintegration of ex-combatants, refugees and IDPs, but reintegration of the body politic and restoration of a social contract. Provisions to this effect may be included in the peace agreement, in which a minimum requirement of the post-conflict state would be capacity to implement the agreement.

59. This analysis suggests six categories of functions relevant to post-conflict statebuilding: i) security, (ii) public administration and governance, (iii) justice, (iv) economic recovery and reform (v) political representation and (vi) post-war integration. The following section assess the extent to which such provisions have been included in contemporary peace agreements,

III. MAPPING STATEBUILDING PROVISIONS IN PEACE AGREEMENTS

1. Methodology

60. This section is an empirical review of the provisions of 27 peace agreements, taken from the peace agreement database of the UN Department of Political Affairs Peacemaking project. It includes all peace agreements that ended civil wars and were signed after 1989.⁸⁸ (See Annex A for the definition of a peace agreement in the UN date base, and Annex B for a list of accords and countries used for this study). The provisions were plotted in a matrix of six main categories and 38 subcategories (see Annex C).

61. The peace agreements were first analyzed with respect to the frequency of types of provisions in the sample as a whole (Fig 1), and their specificity (Fig 2). For specificity the study used a scale of 0 to 3 as follows 0= no reference; 1= statement of intent or general principles; 2= identification of qualitative benchmarks; and 3=benchmarks plus timetable for implementation.

62. We also wanted to identify possible changes over time, and for this purpose divided the agreements into two groups: (i) “old” agreements (concluded in the 1990-98 period), and (ii) “new” agreements (concluded in the 1999-2006 period).⁸⁹ This gave 10 “old” and 17 “new” agreements. The study then examined each agreement in the sample with respect to (i) the kinds and number of provisions included (called “scope”), and (ii) their specificity.

⁸⁸ The UN date base includes all peace agreements entered into by parties to conflict since 1945, and classifies them based on their content according to the following categories: (i) ceasefire or cessation of hostilities agreements; (ii) pre-negotiation agreements; (iii) interim/preliminary agreements; (iv) framework agreements; (v) comprehensive agreements; and (vi) implementation agreements. (See Annex A for further definition of each of these categories). This study includes peace agreements that: (i) had been entered into by parties to an intra-state conflict; (ii) was signed after 1989; (iii) intended to end an intra-state conflict, including a major social unrest, or period of significant state failure; and (iv) had been classified as a comprehensive or a framework agreement, as defined in the UN Peacemaking Databank project, provided that, it is the last comprehensive or framework agreement entered into by the parties to the intra-state conflict. At the request of the commissioning organizations, the sample also includes three UN Security Council resolutions: 1542 (2004) on Haiti, 1272 (1999) on East Timor, and 1244 (1999) on Kosovo. Although not peace agreements as commonly understood, these resolutions were nevertheless important in regulating the conflicts and their aftermath and thus are substantively equivalent. As only 3 in a sample of 27, they are unlikely to influence the statistical results of the mapping exercise.

⁸⁹ See Annex B for a list of countries in each group.

The results of the individual case mapping are presented in Fig 3, and additional information on individual peace agreements is provided in Annex E.⁹⁰

63. As the matrix largely consists of qualitative data, statistical methods of cross-tabulation could not be used. Standard methods of qualitative comparative analysis were used to identify patterns based on inclusion/exclusion of the various categories of functions/policies in the peace agreements, and the specificity of the provisions included.
64. UN Security Council 1325 (2000) calls on all actors involved to adopt a gender perspective when negotiating and implementing peace agreements. The ToR similarly refers to the role of women in post-conflict state building. The gender dimension was incorporated in the mapping exercise by noting whether or not a given function/policy had a gender perspective, using a simple scale of 0=no gender reference, and 1= gender reference.
65. Since the study is also concerned with the role of development agencies in the negotiation and implementation of peace agreements, the extent to which peace agreements contain references to international assistance was included in the mapping exercise. We identified cases where provisions contained references to international assistance or other forms of involvement in implementation of the agreement, using a scale of 0=no reference, and 1=some reference to international assistance.
66. The results as shown in the tables below must mainly be treated as descriptive data. The small sample (especially when divided into subgroups of “new” and “old” agreements), as well as the subjective element entailed in assigning each provision to a category in the mapping exercise, means that the results must be treated with some caution. Comparisons across categories must take into account the different degree of specificity of each category.⁹¹ The specificity scores must likewise be understood as having primarily descriptive value. Coding of specificity necessarily entails a considerable element of subjective judgement. Some provisions, moreover, tend to be more specific than others. For instance, provisions regarding elections, regional wealth allocation and institutional power-sharing tend to be quite specific if they are included in the first place.

2. Findings

67. The main findings for the sample as a whole are presented in Fig. 1 and 2. The first shows the frequency distribution of the (38) functions/policies in the sample of peace agreements and related instruments (N=27). Figure 2 shows the average degree of specificity of the provisions denoting the function/policy concerned.

⁹⁰ Each agreement typically has several clauses referring to the same function/policy, but the score reflects only the fact that a given function/policy is included, not the number of time it is referred to.

⁹¹For instance, economic recovery and reform has 11 subcategories, while security has only three. This approach reflected the main focus of the study, as specified in the ToR, which emphasized economic and institutional aspects.

Fig 1: Frequency of provisions

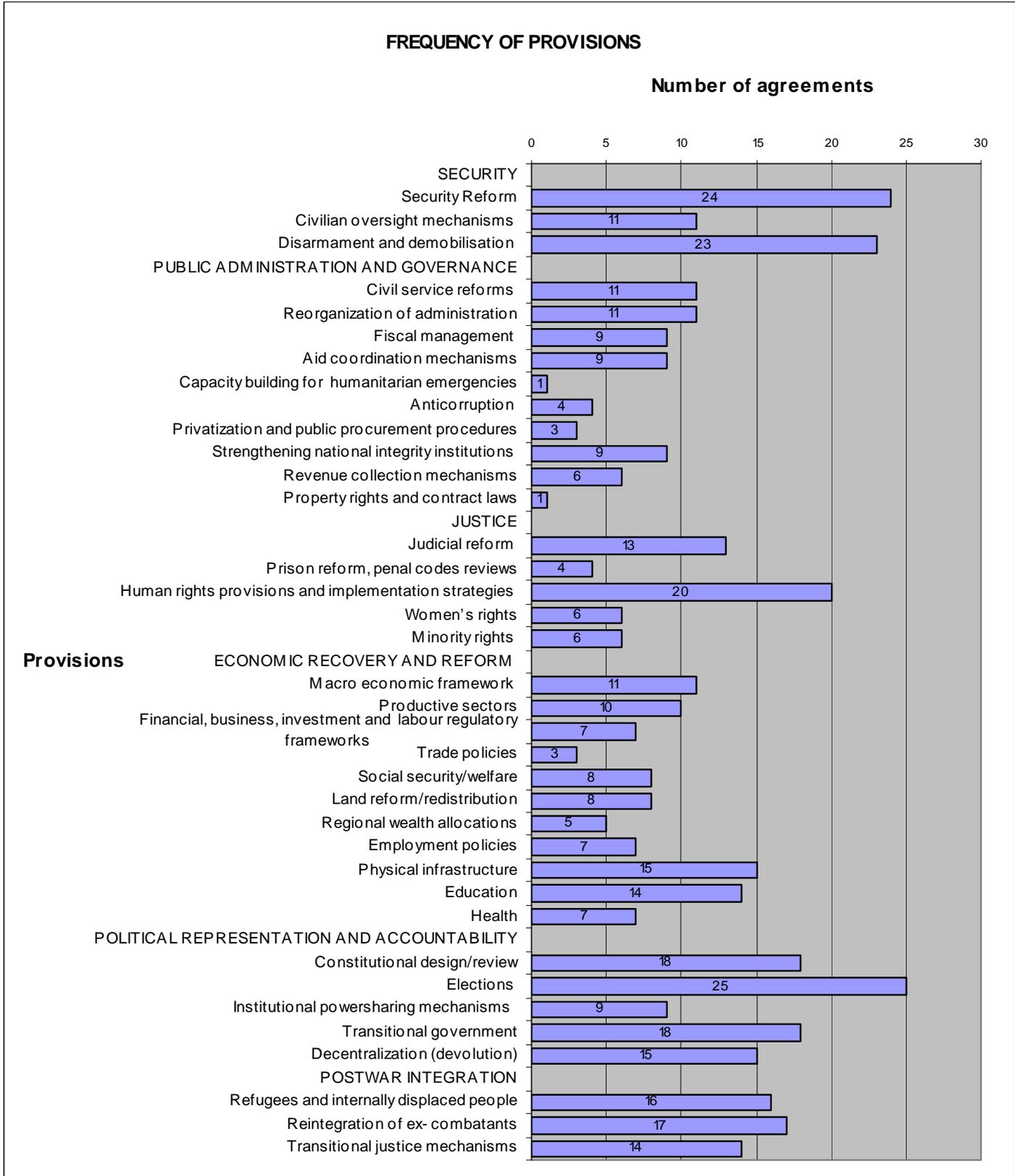
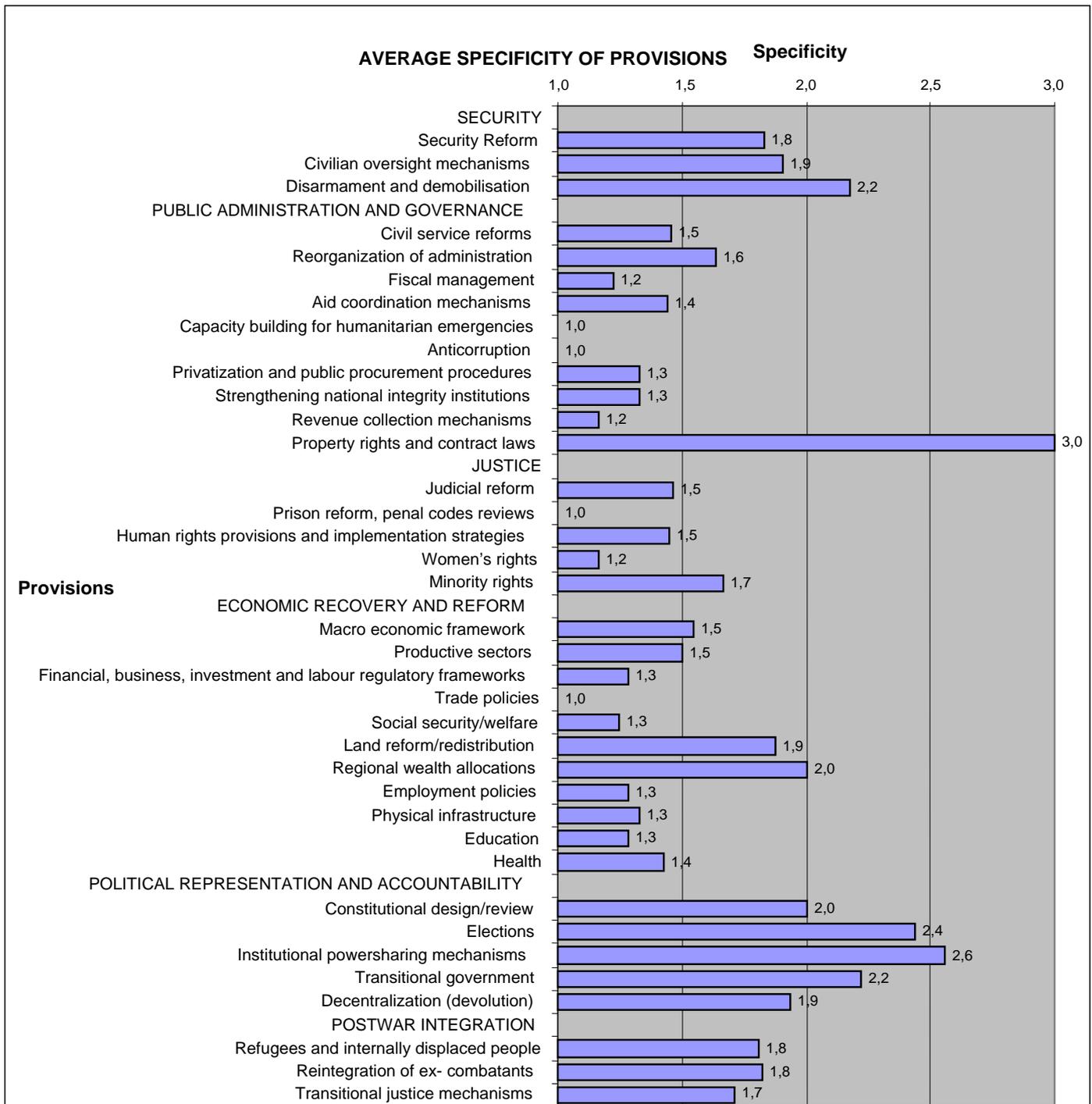


Fig 2: Average specificity of provisions



68. The results confirm the general impression that peace agreements emphasize issues of security and political power. The most common provisions concern security sector reform, disarmament and demobilisation, and elections; provision to this effect are found in more than 20 of the 27 agreements analysed, and all have high levels of specificity. Provisions relating to human rights are also common, appearing in 20 of the 27 cases. As for the category of postwar integration– provisions relating to post-war transitions, refugees, reintegration of ex-combatants and transitional justice – these are also quite common, appearing in slightly over half of the total number of agreements.
69. The characteristics of individual peace agreements are shown in Fig. 3. It should be noted that that out of the 27 peace agreements, some have *no* references at all to administration (8 cases), economic issues (5 cases) or justice other than general references to human rights (11 cases). By contrast, only one agreement (Republic of Congo) has no provisions for political structure, and only two (Georgia and Guinea-Bissau) have no security provisions.
70. In the following, the findings will be discussed with respect to each of the six main sectors (see Annex C for a more detailed list of the categories included under each heading.)

Security

71. At least one of the three security-related provisions appears in virtually all cases (93 percent). The average level of specificity of the security-related provisions is close to 2, which implies that on average such provisions include identification of qualitative benchmarks. Provisions related to civilian oversight mechanisms over the state security apparatus are included in 40 percent of the agreements, although such provisions have become less common over time.⁹² On the other hand, provisions for restructuring the security apparatus⁹³ increase from an incidence of 70 to 100 percent in the same period, and the inclusion of disarmament and demobilisation increase from 70 to 94 percent.

Public Administration and Governance

72. A large majority of the cases (70 percent) have at least one provisions related to public administration and governance, with an average specificity of 1.4. The “new” agreements are much more likely to have such provisions than the “old” ones: the inclusion rate almost triples from the 1990-98 to the 1999-2006 period.⁹⁴ The specificity of the provisions decline, however, from an average value of 1.8 to 1.3. The agreements with most comprehensive coverage of policy provisions in the area of public administration and governance are Darfur (provisions in 6 of the 10 types of state functions identified in

⁹² There is only a small decrease with respect to the level of specificity of the provisions for civilian oversight over time.

⁹³ Both restructuring the security apparatus (the building/ reconstruction of the armed forces, the police and security apparatus, including training, recruitment and size restructuring) and measures to ensure civilian oversight over the security sector are commonly referred to as Security Sector Reform. In the matrix we wished to have greater detail and mapped these two set of policies separately. In the text, we use the term “security reform” to mean only the restructuring of the security apparatus.

⁹⁴ Inclusion rate is a measure of the frequency of provisions included in a given sector. Thus, the 10 “old” agreements had between them 12 references to the functions enumerated in the sector for administration and governance, giving an average inclusion figure of 1.2. The corresponding figure for the 17 “new” agreements was 52 references and an average inclusion rate for this sector of 3.1.

the matrix in this sector), DRC (7), Liberia (7) and Papua New Guinea (6). Yet the provisions are quite general (an average specificity level of 1.2). Some agreements have no provisions addressing state administration and governance functions included in the administration-and governance sector, these are Croatia, Georgia, Guinea Bissau, Mozambique, Sierra Leone, Somalia, the Republic of Congo and Tajikistan.

73. Provisions for civil service reforms, reorganization of public administration policies anticorruption strategies and policies on revenue collection mechanisms have in particular increased markedly over time. Over the past 10 years, then, there has been a tendency towards greater inclusion of provisions relating to public administration and governance issues. For the most part, such issues have been included only as a statement of intent or in the form of general principles.

Justice

74. Almost all agreements (85 percent) include at least one justice-related provision, and slightly over half (59 percent) have at least one justice related provision other than general references to human rights. The average level of specificity for justice related provisions is 1.4 for the whole period, similar to that of administrative and economic provisions. While overall levels of inclusion have remained stable when comparing the “old” and the “new” agreements, the specificity of provisions tended to decline over time (from an average of 1.7 to 1.3). Agreements that have several, and specific, provisions relating to postwar integration— regarding refugees, reintegration of ex-combatants and transitional justice - also tend to have wide coverage of provisions for human rights and the judicial sector. This applies particularly to Guatemala and Burundi, which have provisions for all the state functions enumerated in these two sectors. Rwanda, Darfur and the DRC also have relatively comprehensive provisions for integrative post-war measures, as well as for judicial reform or human rights provisions.

Economic Recovery and Reform

75. The study found that 81 percent of the agreements contained contain provisions for at least one of the state functions enumerated in the economic sector, with such provisions having an average level of specificity of 1.4. The peace agreements with most coverage in this sector are Darfur (provisions in 11 types of state functions)⁹⁵, El Salvador (9), and Guatemala (8). Five agreements contain *no* economic provisions at all. Interestingly, they are all from the early period (1990-1998), namely Cambodia, Croatia, Georgia, Guinea Bissau and Mozambique. In the sample as a whole, more than half of the agreements have provisions for reconstruction of physical infrastructure and education, and references to education have increased markedly over time. However, most of the provisions for infrastructure reconstruction and education are quite general.
76. Provisions related to macro-economic policies, financial, business, investment and labour regulatory frameworks and regional wealth allocations-related provisions have increased significantly. In general, the development over time with respect to economic provisions appear similar to that found in the administration and governance sector, i.e. such provisions are more likely to be included in a peace agreements and related instruments, but in less specific form.

⁹⁵ None of the cases had provisions for privatisation of state assets and enterprises, the last of the 12 functions for economic recovery and reform.

Political Representation and Accountability

77. All but one agreement have provisions regarding the nature of post-war political representation and accountability. The average level of specificity of all the provisions in this sector is 2.2, and remains stable over time. The agreements for Burundi, Darfur and Sudan are most comprehensive in this respect, having provisions that address all five types of state functions. Provisions related to constitutional design and review process are included in 67 percent of the cases, with an average specificity level of 2, however such provisions have become less common over time. There has been a marked change over time, but in the opposite direction of what might be expected. Slightly over half of the agreements include provisions related to decentralization and devolution of powers, with an increase over time from a 40 to 65 percent inclusion rate.
78. Provisions for elections and political parties are found in 85 percent of the cases, with an average level of specificity of 2.7. Given the larger number of cases in the “new” group (17 as against 19), it appears that provisions for electoral-related provisions, with specific benchmarks plus timetables for implementations, now as a rule are included in peace agreements. For both transitional government and institutional power-sharing arrangements, the number of agreements including such provisions doubles over time as between the old and the new cases.

Post-war Integration

79. Only three agreements have no special measures for post-war integration or reconciliation, but the provisions that do appear in the large majority of cases tend to be rather general (an average specificity of 1.8). These findings are stable over time. Over half of the agreements (59 percent) include provisions related to return, resettlement or reintegration of refugees and internally displaced persons. Given the recent emphasis on repatriation of refugees in the policy discourse, it is surprising to find that such provisions appear less frequently in the newer agreements as compared to the older ones.
80. Programs for civilian reintegration of former combatants are included in over half of the cases, and transitional justice related provisions in half of them. Both provisions are more common in the group of newer agreements, with an increase from 40 to 60 percent in the case of transitional justice, and an increase from 50 to 70 in the case of programs for civilian reintegration of former combatants.

Gender

81. Very few peace agreements include references to the protection of women’s human rights. Only six cases (22 percent) do so: Burundi, Bosnia and Herzegovina, Darfur, Guatemala, Sierra Leone, and Somalia. Four of these are “new” agreements, but as the larger number of agreements overall in the “new” group, it cannot be said that including such provision in peace agreements is becoming more common over time. Most of the provisions that are included, moreover, are quite general in nature, without specific mechanisms and benchmarks for implementation.
82. The study also examined whether provisions dealing with other aspects of state functions in the post-war period had a gender dimension. Relatively few (15 percent) did, and these

mostly related to disarmament and demobilization, as might be expected.⁹⁶ Such provisions are included in the agreements for Burundi, Darfur, Sudan, Haiti and Guatemala, the last only in the reintegration programme). Some cases have a relatively large number of references to gender; these include Burundi, Darfur and the DRC. There is a clear increase in gender reference over time: Of the eight “gender-sensitive” agreements, only one belonged to the older group (Guatemala), all the others had been concluded in the 1999-2006 period.

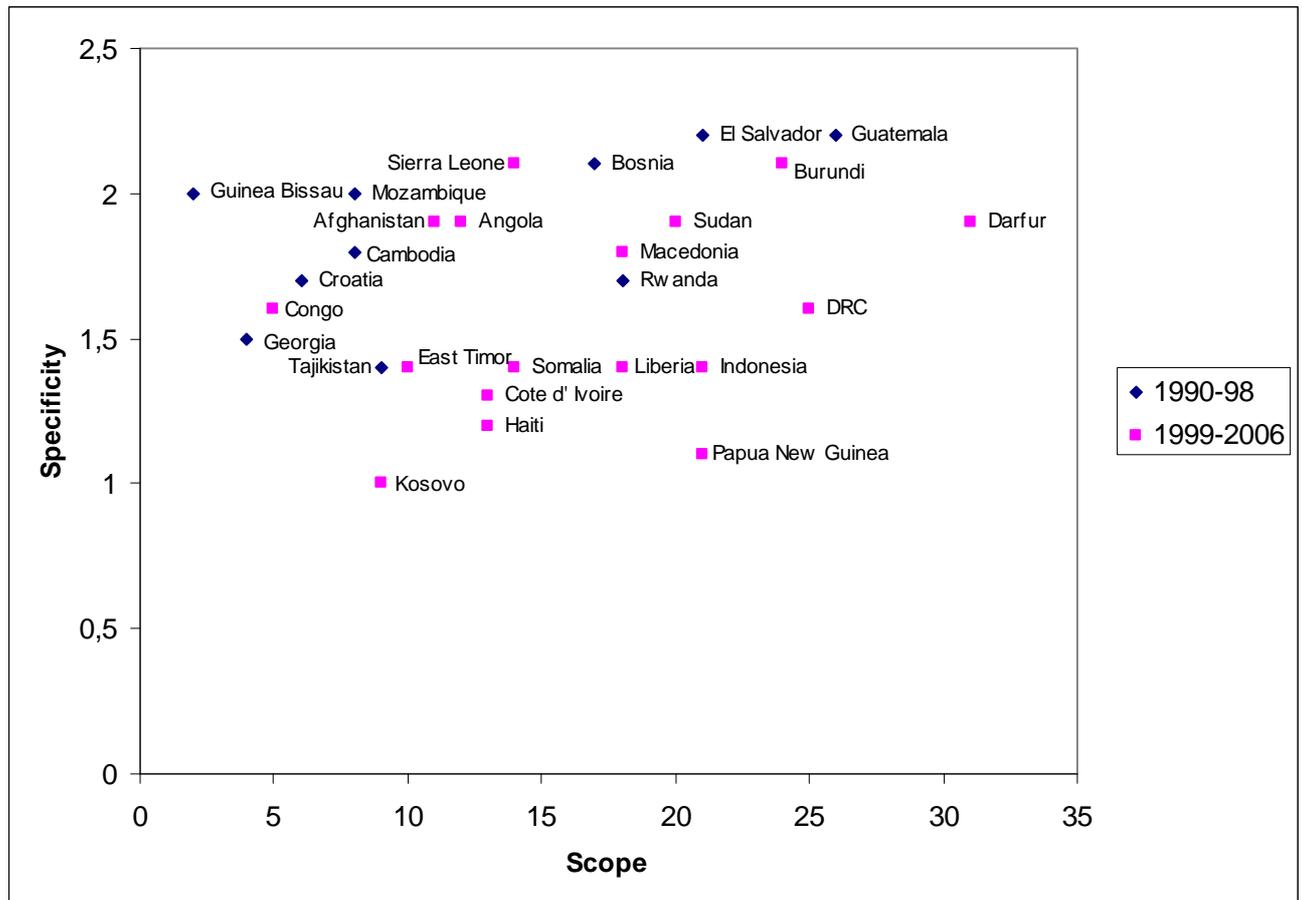
International involvement

83. The types of functions that most commonly were covered in the peace agreement also tended to have related provisions that stipulated international involvement in the implementation process. As noted above, the most frequently occurring functions were in the areas of security sector reform, disarmament and demobilisation, elections, human rights, policies for refugees and IDPs⁹⁷ and reintegration of ex-combatants. Over half of the provisions in these areas also contained references to international involvement or assistance with regards to implementation.
84. Provisions regarding public administration and governance, justice and economic reform and recovery measures include relatively few references to international involvement during the implementation. Such references appear in less than one-third of the provisions in this sector. As for reconstruction of physical infrastructure, which is most commonly cited in this sector, almost half have references to international assistance, and there is a clear increase over time from one of five in the 1990-1998 period to six out of 10 in the 1999-2006 period.
85. As noted in the policy review in section II, there is an argument to the effect that peacebuilding provisions ought to be included in peace agreements in order to provide authorization for the international community to assist with implementation in the post-conflict period. The study found that very few peace agreements in fact have included provisions requesting or incorporating such assistance into the implementation of policies related to public administration and governance, justice and economic reform and recovery.

⁹⁶ Recent efforts towards gender mainstreaming at the level of NGOs, UN Agencies and the UN Secretariat have mostly focused on disarmament, demobilization and reintegration programmes designed for women and children.

⁹⁷ UNHCR and other international humanitarian organizations are usually mentioned in provisions relating to implementation in this area.

Fig 3: Scope and specificity of peace agreements



86. The characteristics of individual agreements with respect to their scope and specificity are plotted in Fig 3. Some patterns seem to stand out. The accords for El Salvador and Guatemala appear in the top right hand corner, suggesting these agreements are both atypically comprehensive and specific. Burundi, Darfur and DRC are also in this generally area, although the Burundi agreement has fewer provisions for public administration. (For more details see Annex D and E.) On the other end in terms of scope we find, Mozambique, Georgia, Guinea Bissau and Croatia; these agreements have no provisions for economic or administrative reforms, and only general references to human rights. Liberia is an unusual case as it combines some very detailed provisions for transitional government arrangements (a comprehensive allocation of all ministries, legislative seats, public corporations and government agencies), with some unusual and quite explicit provisions for public administration.⁹⁸

⁹⁸ For instance, the Comprehensive Peace Agreement establishes a Contract and Monopolies Commission that will, among other things, publish all government tenders on its website.

3. Conclusions

87. The findings suggest that peace agreements are becoming more comprehensive but less specific over time; that is, they tend to include more provisions covering more areas (scope), but have fewer mechanisms to verify the progress of implementation. This applies in particular to provisions for security and public administration, and to a lesser degree, to economic issues.
88. These reasons for this are not self-evident. The increasing scope might reflect the greater international involvement in peace processes and a consequent expansion of the agenda. Greater international involvement in post-conflict peacebuilding might also have been expected to mean greater efforts to introduce a formal, contractual basis for peacebuilding, notably by including obligatory measures to this effect already in the peace agreement. At the same time, the finding that many provisions have actually become less rather than more specific over the two time periods considered here (1990-98 and 1999-2006), suggests that compromises between inclusion and specificity were made.
89. As for individual sectors, over time, there has been a growing tendency to include provisions regarding security reform and specific aspects of public administration and governance (including civil service reform and administrative reorganization, as well as mechanisms for strengthening revenue collection). The tendency reflects the greater emphasis in the international community on governance issues, increasing attention to the problems associated with “failed states” and “weak states”, and the related emergence of a policy consensus to the effect that statebuilding must be understood as a central component of peacebuilding.
90. The patterns and case characteristics of peace agreements identified above most likely reflect the numerous factors at play in the negotiating process, including the level of international involvement and the degree of enforcement, the relative strength of the parties and depth and length of the negotiations. The influence of such factors and the causal dynamic at work can best be captured through in-depth study of individual cases, and are followed up in Part Two of this study. Important questions in this regard relate to both inclusion and specificity: does it matter, and how, if provisions for post-conflict peacebuilding are included in the peace agreement, or not? If included, what is the impact of the specificity of provisions impact on the processes of implementation?
91. This part of the study has not attempted to identify the relationships, if any, between the inclusion or non inclusion of particular types of provisions and the quality of the subsequent peace implementation. These questions are addressed in the comparative case study below. It may be noted that in the sample used in the mapping exercise had only one clear case where the peace agreement collapsed almost immediately (Rwanda). The literature suggests that the nature of the peace agreement was a major contributing factor leading up to the subsequent resumption of civil war and the genocide.⁹⁹ This harmonizes with the literature on peace implementation which finds that the quality of the peace agreement is a factor in determining whether or not peace will be sustained (see section II above).

⁹⁹ In Rwanda, the Arusha accords (August 1993) gave so many concessions to the rebel RPF that extremist elements on the government side interpreted it as a total defeat. Hence, when the President signed the agreement, the extremist forces unleashed the genocide.

PART TWO: CASE STUDIES

I. INTRODUCTION

92. This section explores in more detail some of the issues raised in Part I by focusing on the role of economic and institutional issues in the negotiation and consolidation of peace agreements. Looking at five cases, the study examines which economic and institutional issues were addressed in the peace negotiations, whether they were implemented and, more broadly, how this affected subsequent progress towards statebuilding and peace consolidation.¹⁰⁰

93. According to the Terms of Reference (ToR), the case studies are meant to be comparative and illustrative rather than exhaustive, and would not require field work. As a result, the following account is an analytical narrative that draws on secondary material (reports, documents, etc) as well as interviews with some of the principals and aid officials concerned.

94. The study explores the following questions in relation to the five case studies:

Impact:

- Whether and how economic and institutional provisions have been addressed in the peace negotiations, the subsequent peace agreements and in their implementation.
- Whether and how the inclusion or exclusion of such provisions have contributed to statebuilding and related peace building objectives in the short to medium term.

Feasibility:

- What were the factors that determined which provisions were addressed in peace negotiations or peace agreements; how were the actors involved (including mediators, the parties to the conflict and concerned third parties) able to support their inclusion.

95. This study takes “economic and institutional provisions” to include the kind of provisions identified in Part I of this study in the categories (i) public administration and governance (PAG) and (ii) economic reform and recovery (EER).¹⁰¹ Within the larger perspective of the questions noted above, the study will also examine the role of international actors with an emphasis on the role of the World Bank and UNDP.

¹⁰⁰ The ToR also called for an examination of whether the pursuit of peace or statebuilding objectives in peace agreements is mutually compatible with policies designed to bolster or rebuild fragile or failed states. In the absence of an authoritative and sufficiently specific list of such policies, and some lack of agreement as to what constitutes “fragile” and “failed” states, it is difficult to address this part of the ToR.

¹⁰¹ PAG has ten sub-categories: civil service reform, reorganization of public administration, fiscal management, aid coordination mechanism, humanitarian emergency administration, anti-corruption, privatization and public procurement procedures, strengthening national integrity institutions, revenue collection mechanisms and property right and contract laws; EER has 11 sub-categories: macro-economic framework, productive sectors, financial, business, investment and labour regulatory frameworks, trade policies, social security/welfare provisions, land reform, regional wealth allocations, employment policies, physical infrastructure, education, and health. See Annex C for matrix of all categories and sub-categories used.

Selection of case studies

96. The cases were selected according to the following criteria:

- (i) geographic diversity
- (ii) analytical dimensions brought out by the findings of Phase I;
 - time period: “old” agreements (1990-to 1998) vs. “new” (1999-2006),
 - inclusion or exclusion of economic and institutional provisions in the peace accords
 - comprehensiveness and specificity of the peace accords, as coded in the study
- (iii) political relevance of the country cases to the international development agencies
- (iv) capacity of the state to implement the accord and undertake the post-war recovery agenda.

97. Cases were selected according to principles of commonality and diversity in relation to these criteria, producing a sample of five: Afghanistan, Guatemala, Liberia, Mozambique and Sierra Leone. The cases represent geographic diversity. One case has comprehensive and detailed provisions for economic reform and institutional development in the peace agreement (Guatemala). The other peace accords have relatively less coverage (Afghanistan and Sierra Leone). In Liberia, some provisions were included but considerably more extensive obligations were added by a Security Council mandate two years later. The Mozambican peace accords had no such provisions, but extensive economic reforms were underway in a separate process. As for state capacity, three cases represent what is commonly understood as ‘weak states’ (Afghanistan, Liberia, Sierra Leone), while the fourth and fifth cases had strong state institutions in some or several areas (Mozambique and Guatemala). Two peace agreements are “old” and three are “new”.

98. In the case study narratives below, the three “new” accords (Afghanistan, Liberia and Sierra Leone), are discussed more fully than the two “old”. Initial characteristics of the cases in terms of the structure of the peace agreement and state capacity are summarized in table I below.

Table 1: Characteristics of the cases

Country case	Time of peace agreement	Number of ERR provisions	Number of PAG provisions	Agreement score: scope*	Agreement score: specificity*	State capacity
Mozambique	Old	0	0	Low	High	Mostly strong
Afghanistan	New	2	3	Low/medium	Medium/high	Weak
Guatemala	Old	8	4	High	High	Mostly strong
Liberia	New	2	7	Medium	Low	Weak
Sierra Leone	New	3	0	Low/ Medium	High	Weak

* refers to scores for the agreement as a whole (see Fig 3 above).

II. THE CONTEXT: THE CONFLICT, THE STATE AND THE ECONOMY

99. Peace negotiations are shaped by the national and international context. We shall here consider two aspects of the national context. First, what was the nature of the conflict in terms of the issues involved, and to what extent, and how, were socioeconomic and governance issues linked to the causes or dynamics of the conflict? Second, what kind of national conditions formed the starting point for post-war reconstruction in terms of (i) the capacity of the existing state, and (ii) the nature of the economic reconstruction challenge?

100. A basic pattern was soon apparent. The challenge of reconstruction were in all cases enormous (see Table II), but in other respects there was a bifurcation. In the “old” cases with relatively strong states (Guatemala and Mozambique), state reform rather than statebuilding was the main issue during the negotiations. The wars had in both cases been shaped by grievances arising from conflicting social structures. As a result, the negotiations focused on reform of the state and the political and economic systems that had developed under the pre-war ruling elites and their international supporters. In the “new cases” with weak or failed states, the incapacitated state itself had been both a cause and a consequence of the violence (Sierra Leone, Liberia and Afghanistan). These agreements were conditioned by the need to first establish a political consensus to carry future statebuilding activities. There was also a perceived urgency to end the violence or prevent new wars as – unlike the “old” cases which had been fought to a mutually hurting stalemate – the cease-fire in the “new” cases was highly unstable. Initial circumstances thus gave these agreements the character of transitional power-brokerage pacts. In Liberia’s case this tendency is carried to an extreme: the agreement specifies the distribution of political spoils for leadership of 21 ministries, 22 public corporations, and 22 autonomous agencies.

Mozambique

101. The peace agreement in Mozambique was signed in 1992 and is the earliest case reviewed in this study. Following immediately from the war against colonial rule, the post-independence conflict was reignited by the Cold War and further stimulated by intervention from regional states. Mozambique had since independence in 1975 been ruled by Frelimo. The rebel Renamo movement was created as a response to the one-party state system and Frelimo’s pro-Marxist statebuilding and socio-economic project, but also to counter Frelimo’s support for pro-independence forces in Africa and outspoken solidarity with the anti-apartheid struggle in South Africa. The result was nearly two decades of vicious and devastating warfare.

102. The Mozambican state at the end of the war was weak, and parts of the territory were controlled by Renamo. Yet the state had the capacity to exercise a range of public functions and was disciplined by the one-party system. Much of the state capacity had been developed as a result of the statebuilding efforts that Frelimo had pursued as central to its socialist development project. The war fundamentally disrupted the progress of the project as Renamo targeted schools, clinics, bridges, etc as symbols and instruments of the state. Yet the government throughout retained some capacity to design and implement

economic development programs and to distribute humanitarian assistance. National lines ministries and provincial governments continued to function, if unevenly.

103. At the end of the war Mozambique was one of the poorest countries in the world. GDP per capita was around \$80, approximately 60 percent of the population lived in absolute poverty, and other socio-economic ratings were among the lowest in sub-Saharan Africa. There was a shortage of skilled manpower and the infrastructure was largely destroyed. A large number of soldiers were to be demobilized and reintegrated, and around 2.5 million IDPs and refugees were waiting to be settled. While facing these challenges, the Mozambican economy was also undergoing a profound transition from a centrally planned war economy to a market-based peace economy. The liberalization and structural adjustment program had started with the introduction of the World Bank/IMF-supported Economic Rehabilitation Programme in 1987 and continued into the post-conflict phase.

Guatemala

104. The Guatemalan civil war likewise was fought over the nature of the state and who controlled it, and, more broadly, the principles governing the distribution of economic, social and political power within the country. Successfully exploiting the Cold War context, the oligarchy had been able to maintain its hold over the state and perpetuate the economic, social and political status quo to the detriment of development and modernization. The absence of a representative political system had left large sectors of the population, including the large indigenous groups, without ways to improve their situation and overcome deep, structurally based socio-economic inequalities. Against this background the war had been fought off and on between the *Unidad Revolucionaria Nacional Guatemalteca* (URNG) and the government from 1960 until 1996, when the final part of the peace agreement was signed.

105. By the end of the war, the capacity of the state to rule, and, indeed, to repress, remained considerable. There was a functioning government with the capacity to implement the obligations agreed to in the peace accords. The military was strong despite, or because, of its long involvement in politics. The international financial institutions (IFIs) found that the government during the 1980s had exercised prudent macro-economic management.¹⁰² There had been a consistent failure, however, to address issues of social policy and provide social services to the population. Guatemala had one of the highest levels of poverty in Latin America and the Caribbean despite medium levels of economic growth during the entire decade before the war ended.¹⁰³

106. Social indicators such as infant mortality, malnutrition, illiteracy and access to basic services were among the worst in the region. Land distribution was extremely concentrated, the level of infrastructure development was very low, and the number of refugees and IDPs was very high. The UNDP Human Development Index (HDI) scores for indigenous communities in Guatemala were extremely low.¹⁰⁴ Some analysts have

¹⁰² Susanne Jonas, 2002, *Of Centaurs and Doves: Guatemala's Peace Process* Boulder, Colo.: Westview Press p. 170.

¹⁰³ An average of 3.7 percent during the decade before the signing of the peace agreements.

¹⁰⁴ William Stanley and David Holiday, 2002, "Broad Participation, Diffuse Responsibility: Peace Implementation in Guatemala" in Stephen J. Stedman, Donald Rothchild and Elizabeth Cousens, (eds.), op. cit., p. 451.

argued that without the war, the GDP per capita by year 2000 would have been 40 percent higher and the poverty levels 12 percentage points lower than it actually was.¹⁰⁵ Yet it is not clear to what extent the socio-economic backwardness had been caused by the 36-year civil war, or by state failure to commit to social change, especially since economic growth had continued during the war.

Sierra Leone and Liberia

107. Liberia and Sierra Leone were part of a regional conflict complex characterized by weak states, competing power factions supported by regional actors, and long sequences of war, although in Liberia's case this was interspersed by several years of relative peace (1996-2000). Conflict began in Liberia in 1989 when a small group of fighters led by Charles Taylor entered the country with the aim of overthrowing the government. In 1991, a similar scenario took place in Sierra Leone as a group of fighters led by Foday Sankoh and supported by Taylor entered Sierra Leone. In both countries, the war saw different factions both imploding and engaging in shifting patterns of collusion. For instance a military coup in Sierra Leone in 1997 exposed the ambiguous role of the army in the conflict, as the rebel movement Revolutionary United Front (RUF) was invited by the military junta Armed Forces Revolutionary Council (AFRC) to join them in government. Natural resources were important in financing the rebels and sustaining the violence in both cases, although weak and patronage-based states were an underlying cause of the wars. Extreme and widespread violence – and widely publicized scenes of human suffering - produced cumulative demands on the international community to somehow, urgently, end the conflicts.

108. When peace was declared in January 2002, the state in Sierra Leone had virtually collapsed beyond the capital, Freetown, both militarily and administratively. The collapse was not just a result of the conflict, but preceded it and was in fact a principal cause of the war itself. Throughout the post-independence period, Sierra Leone had been plagued with political instability, with governments building power through informal control and distribution of resources. This practice led to a progressive disintegration of formal state structures and left most of the population, particularly in rural areas, with little access to state services.¹⁰⁶

109. By the end of the war, Sierra Leone was (and remains) one of the absolute poorest countries in the world in terms of living standards. GDP per capita was US\$ 142, and life expectancy was 34 years. The country's economy, which had been in crisis also in decades before the war, required extensive rehabilitation and development. Around two million people, almost half the population, were displaced, and many were in need of urgent humanitarian assistance. Agricultural production had been severely affected by the war. Most of the diamond sector, normally the dominant source of government revenue and foreign exchange, was almost completely outside formal government control.¹⁰⁷

¹⁰⁵ LCSHD, "GUAPA - Guatemala Poverty Assessment - Grey Cover Report" in <http://www.worldbank.org/guatemalapoverity>, p. 37.

¹⁰⁶ William Reno, 1995, *Corruption and state politics in Sierra Leone* Cambridge, Cambridge U.P.

¹⁰⁷ Partnership Africa Canada/ Network Movement for Justice and Development, 2006, *Diamond Industry Annual Review, Sierra Leone 2006*.

110. Similarly, the end of the conflict in 2003 had left Liberia with a state that had all but collapsed. There was little public administration capacity with the ability to deliver basic services. As a result, basic services were outsourced. About 85 percent of the activities in the health, education, water and sanitation sectors were funded by donors and implemented by NGOs.¹⁰⁸ Civil servants had not been paid for over two years, and ministries and other state buildings had been looted and stripped down. The state had minimal control over its territory as the war had disrupted its governing structure at the sub-national level. The security situation was anarchic, requiring significant international troop presence to maintain basic order and security. The conflict had left a transitional government hastily stitched together and barely a functioning state with which the international community could start designing a post-conflict recovery strategy.

111. The war together with the years of corruption and patronage during the previous Taylor administration (1997-2003) had devastated the Liberian economy. The needs in terms of economic recovery and restructuring of state were massive. The GDP was about one third of the pre-war level.¹⁰⁹ Agriculture (rubber and timber), mining (iron-ore, gold and diamonds) and services (mainly shipping registration), traditionally the most important sectors of the Liberian economy, had declined sharply or completely collapsed. The official unemployment level was 85 percent, and Liberia had an estimated 2.7 billion in debt, including US \$ 681 millions owed to the IMF and 189.9 million to the World Bank. Socio-economic indicators were very low as well. The adult literacy rate was 50 percent among males and 26 percent among females, and only 40 percent of the population had access to education in 2000. The percentage of people living below the poverty line was 76, of which 52 percent were living on half a dollar per day. In addition, an estimated 25 percent of the population was either internally or externally displaced.

Afghanistan

112. The war in Afghanistan that ended in 2001 was only the latest in a series of conflicts that had been unleashed by the communist coup d'état in April 1978. Whatever the underlying issues of the previous wars, the main question in December 2001, after the US-led military intervention had removed the Taliban regime, was to find a formula for the new order that was acceptable to the principal Afghan factions assembled in Bonn and the international parties most concerned. The UN-organized contact group of 6+2, composed of Afghanistan's neighbors plus the US and Russia, was especially important in this respect. The main issue for the US was to establish sufficient state capacity in Afghanistan to help defeat international terrorism. For others, the statebuilding and development agenda were inherently more important.

113. At the time, Afghanistan was generally viewed as a failed and collapsed state. Remnants of the former, centralized national administration were in place, more visibly so in some ministries that had been working with international humanitarian agencies in the *mujahedin* period in the early 1990s and during the Taliban regime. Mostly, however, the public service had large rosters of staff who now expected to be back on the payroll but had little expertise of relevance for the reconstruction agenda. Institutional and

¹⁰⁸ UNDP, 2006, *Liberia National Human Development Report 2006*, New York: UNDP., available at http://hdr.undp.org/reports/detail_reports.cfm?view=991

¹⁰⁹ GDP in 2004 was around 207 million dollars compared to one billion in 1988. *Ibid.*, p. 11.

technological development appropriate to a modern state had mostly come to a standstill or been lost during a quarter-century of warfare.

114. Although state capacity to lead post-war recovery was minimal, there was no power vacuum at either the national or the sub-national level. What was left of the central state had been captured by the Northern Alliance faction just before peace negotiations started. On the local level, various self-appointed military leaders exercised de facto rule.

115. The economic agenda entailed recovery, reform of the state sector expanded during the communist rule, and long-term development. Although the Taliban regime reestablished sufficient order to encourage the resumption of Afghanistan's traditional transit trade, there had been little or no new investment for over two decades. The infrastructure had been left to deteriorate, with especially adverse effects for agriculture (the irrigation systems), communication, education and public health. Socio-economic indicators by war's end were partial or not very meaningful given the poor quality of baseline data as well as more recent statistics. Yet the country's position as one of the world's poorest countries was reaffirmed by the decision to "Afghanize" the UN's Millennium Development Goals, which extended the standardized timeline and reduced the targets of the UN global project when applied to Afghanistan.

III. NEGOTIATING AND CONSOLIDATING THE PEACE

116. This section discusses first, the dynamics of peace negotiations and the structure of the consequent peace agreements. In particular, we examine whether the agreements included provisions for economic reform and recovery and public administration and governance, and the reasons for inclusion (or not). Second, we examine the consequences in terms of whether the economic and institutional provisions, if included, were implemented, and, more broadly, whether the inclusion or absence of such provisions seemed to affect progress towards statebuilding, economic recovery and consolidation of peace.

Mozambique:

The agreement

117. In terms of this study, the Mozambique General Peace Agreement (GPA) of 1992 peace is an "old" agreement and has some of the typical features of other agreements in this group. The low score on scope (Table I above) reflects the absence of provisions concerning socio-economic, state administration and governance matters.¹¹⁰ On the other hand, the provisions that are included – in security, justice and political structures – are fairly specific, with medium-to high scores (see Annex E).

¹¹⁰ The GPA did create a National Commission for State Administration. As its purpose was to facilitate the extension of (Frelimo) state administration to Renamo-controlled areas, the provision was coded as part of the political transition and not as an instrument to strengthen the capacity of the state or improve the quality of governance. As it turned out, the Commission was largely inactive and the extension of state administration throughout the country was politically contested and delayed.

The negotiations

118. The structure of the GPA reflects the context and dynamic of the negotiations. The war ended in a negotiated compromise, brought about by an internal military stalemate and declining willingness of the international patrons of the Mozambican parties to support the war. Since the mid-1980s, moreover, the pressures of war, decreasing Soviet support and natural disasters had led Frelimo to start a program for restructuring the economy towards a market-based system and the country had joined the World Bank and the IMF in 1984. Towards the end of the decade, liberalization reforms were extended to the political sphere. At the Fifth Party Congress (1989), Frelimo abandoned all claim to be a Marxist party, and the next year passed a new constitution that introduced a multiparty democracy. Legislation in 1991 guaranteed other rights of liberal democracy such as freedom of association, of the press, and an independent judiciary.
119. The political reforms set the stage for Renamo to make the move from the military into the political arena. The first official meeting between the two sides took place in 1990, through the good offices of the Saint Egidio community in Rome. The negotiations ended two years later in a compromise. Renamo acknowledged the legitimacy of Frelimo's government and the reformed Mozambican political institutions. The government in turn, accepted the conversion of Renamo into a political party and participation in the multiparty political system. Elections for a national assembly and the position of President of the Republic would take place one year after the signing of the GPA. The negotiations were moved along with the encouragement of outside parties who acted as observers (the United States, France, Portugal, the United Kingdom and the United Nations) or indirect facilitators (Kenya and Zimbabwe), while the UN provided technical assistance.
120. The importance of political and security issues in realizing transition from war to peace shaped the structure of the GPA. Issues of economic recovery and reform, state administration and governance were not included because the government had been negotiating these matters separately with the international aid agencies and donors, both before and during the peace. A restructuring package had been negotiated with donors and the IFIs. Programs developed with the Bank and UNDP to strengthen economic and general institutional capacity evolved in parallel with the peace talks, and indeed accelerated as an agreement drew near. The peace agreement therefore was not a reference point for developments in these areas.
121. Earlier programs negotiated with the IMF and the Bank had focused on price and exchange rate distortions, macro-economic imbalances, trade reform measures and restructuring of state enterprises. From 1991, with the first Country Assistance Paper being produced, the priorities continued to be state enterprise restructuring and privatization, public expenditure management, reform of the foreign exchange regime, the financial sector, and trade policy, as well as access to basic services and food security. Throughout this period the World Bank emphasized capacity building and undertook studies on post-war planning. UNDP focused on related objectives of strengthening economic and financial planning and management capacity, improving coordination and management in strategic sectors, including transport and communications, agriculture and

its related industry, water resources, mineral resources, and supporting small-scale production.¹¹¹

122. The two parallel tracks of economic reform and peace negotiations generally reinforced each other, but there were points when the peace process and the reform agenda were on a collision course resembling the events in El Salvador.¹¹² In 1995, soon after the agreement was signed, the IMF threatened to end enhanced structural assistance funding unless the government undertook further macroeconomic reforms. Several donors, including many of the ‘like-minded’ who had supported Frelimo during the war, feared this would create popular unrest and undermine the peace. They succeeded in persuading IMF to modify its demands.¹¹³ Moreover, unlike the Guatemalan case, there was a core of donor-government consensus on the need for budgetary outlays to institute social reforms and use economic policy (e.g. increasing the minimum wage) to soften the effects of the structural adjustment requirements pursued by the IFIs. Concerned to secure a peace – especially after the recently failed peace in neighbouring Angola – donors used aid transfers to stabilize the peace agreement by liberally financing its implementation (e.g. on DDR and elections) and providing budget support. The formal delineation in the peace agreement of a two-year period for “peace implementation” helped justify extraordinary measures in this period.

Impact

123. The peace agreement laid the foundation for political stability and peace that enabled the government, with much assistance of the international community, to make substantial progress in terms of economic recovery and institutional development (see Table IV below). This was accomplished without the inclusion of provisions to this effect in the GPA, but with the erection of an institutional framework for restructuring and reform that proceeded on a parallel track. This reform process, encompassing much of what today would be called statebuilding and economic governance, preceded the peace process and, as discussed above, helped make it possible.

124. Since the end of the war, Mozambique has experienced substantial progress in some aspects of public administration, governance and economic recovery. Except for a momentary set-back caused by severe floods in 2000, the country has consistently experienced high economic growth rates. The average GDP growth for the period 1995-2005 was 8.3 percent compared to 3.8 percent in the period 1985-95, and in excess of 10 percent for the next few years.¹¹⁴ GDP per capita also grew significantly in the 1995-2005 period with an average of 6.1 percent compared to 1.9 in the period 1985-95. The government has succeeded in controlling the inflation and creating a favourable environment for private investment, both national and foreign.¹¹⁵ The fiscal system has been modernized and simplified, tax administration improved, and greater efficiency and transparency introduced in the budgetary management procedures. A respectable ratio of tax revenue to GDP of 14.3 percent is indicative of progress in this area.

¹¹¹ Governing Council of the UNDP, “Programme Planning Country and Intercountry Programmes and Projects, Third Country Programme for Mozambique,” DP/CP/MOZ/3 (9 March 1987).

¹¹² See paragraph 38 in Part I of this report.

¹¹³ Nicole Ball and Sam Barnes, 2000, ‘Mozambique’, in Shepard Forman and Stewart Patrick, (eds.), *Good Intentions: Pledges of aid for Postwar Recovery*, Boulder, CO: Lynne Rienner.

¹¹⁴ UNDP, Mozambique National Human Development Report 2005 (New York: UNDP, 2005), p 3

¹¹⁵ Ibid.

125. In matters of governance and governance, the government has taken steps towards decentralization of the public sector, including the passage of enabling legislation. Efforts to improve transparency include a national survey launched in 2003 to obtain information for designing anti-corruption policies. Overall, while clearly facing issues of transparency and accountability in the public sector, Mozambique has a rather better record on anti-corruption than the other countries examined here, as indicated by the Transparency International rankings (see Table IV).

126. While experiencing high levels of post-war growth after restructuring of its previous state socialist economy, the country has done less well on other measures of post-war development. In 2004, it ranked towards the very end of the aggregate HDI scale, with a position of 168 out of 177 countries. In fact, the ranking in 2006 was no better than that of 1992, just on the eve of the peace agreement, when Mozambique ranked 159 out of 173. In some respects, however, there has been significant improvement in socio-economic indicators. For instance, the proportion of people living below the national poverty line fell from nearly 70 in 1996/7 to 54 percent in 2003. The under five mortality rate was reduced from 277 per thousands live births in 1994 to 135 in 2003.

Guatemala

The peace agreement

127. The Guatemalan peace agreement (GPA), which consisted of several texts, is both comprehensive and highly specific. The provisions most relevant for this is the agreement addressing socio-economic, public- administrative and governance issues, entitled the Agreement on Social and Economic Aspects and Agrarian Situation (SEA) and signed in May 1996. The agreement established a detailed framework and principles for reforms designed to create long-term structural change in the economy, the state and land ownership.

128. The SEA has four sections: the first, on democratization and participatory democracy, imposes a set of obligations on the government to promote decentralization and greater participation at the national and local levels, including for women. In matters of social development, the SEA gives the state a leadership role in social policy and identifies a set of progressive policies to be implemented in education, health, social security, housing and employment. Specific targets are laid down to measure improvement in health and education as well as employment and growth. The third section deals with the agrarian situation and rural development. It prescribes market-based strategies to address issues of land reform and agrarian development. The section outlines a number of measures to be taken by the government to promote access to land ownership and agricultural and rural development, including the establishment of a land trust fund, rural investment program and the review and development of legal and regulatory frameworks for land ownership.

129. The SEA also obligates the government to allocate increased resources for reform. It acknowledges the key role that fiscal policy plays in socio-economic development by providing a set of basic principles for budgetary and tax policies. For instance, priority should be given to social spending and investment in public services and basic

infrastructure. To increase state revenues to finance social reforms identified in the peace agreement, the SEA also obligates the government to increase taxes, specifying that revenue collection as a percentage of GDP should increase by at least 50 percent by year 2000 as compared with 1995 (when the ratio was eight percent).¹¹⁶

The negotiations

130. The Guatemalan peace process sought to establish a framework for political, institutional, social and economic reforms aimed at democratizing society, modernizing the state and achieving greater socio-economic equality. The URNG was already by the mid-1980s quite weak and realized that a negotiated settlement with international assistance was more likely strategy to achieve its objectives than military force. On the government side, the sense that the war had already been won initially kept the military and the government from negotiating, but they eventually yielded to pressure from the international community and civil society. International pressure, including the threat of economic sanctions and international isolation, eventually convinced both the government and the business community (united under their umbrella organization, CACIF), that it was in their interest to negotiate.

131. The negotiations lasted for over ten years, which indicates their difficulty. Nevertheless, the political climate during the negotiations for the SEA was relatively favourable as the Arzú government had support from both the CACIF and the military, as well as from broad popular segments and the parliament. CACIF and civil society actively supported the negotiations, as did important external actors - the IMF, the World Bank, the Inter-American Development Bank and the UNDP. Moreover, a donor consultative group (CG) meeting in Paris in 1995 had made it clear that funding would be conditional upon the signing of all remaining agreements, including tax reforms to ensure domestic financing of the agenda for change. The SEA negotiations still proved tortuous. The most contested issues concerned land reform, property rights and taxes. The government eventually agreed to raise the extremely low tax rate to a ratio of 12 percent to GDP.

132. The aid agencies, including representatives of the IFIs, played an important role throughout the peace process, particular with respect to the SEA. Their formal role was to provide technical assistance to the negotiating parties, which in practice meant policy advice.¹¹⁷ The direct and unusually important role of the aid agencies in the negotiations is explained by several factors. One was the lesson from the peace process in El Salvador, where the programmes of the IFIs had been largely uncoordinated with the implementation of the peace agreement, encouraged their involvement in the negotiations. The IFIs and other aid agencies, moreover, had a long-standing involvement in the country. Perhaps most important, it was the recognition that economic issues had been an underlying cause of the war and would be critical to the future peace.

133. One main concern of the IFIs was to ensure coordination between the agenda negotiated for the SEA and the economic policies that the IFIs were negotiating with the government. Another concern was to support the impetus for socio-economic reforms. There was a sense among some of the technical experts that the lack of development in Guatemala in the past was primarily caused by the lack of appropriate institutions rather than the absence of resources. As the oligarchy now seemed to have loosened its grip on the state,

¹¹⁶ The Guatemalan tax burden measured as a ratio of GDP was the lowest in Latin America.

¹¹⁷ The technical advisors were sitting in rooms close to where the parties were negotiating the SEA.

there was an opportunity to set the past right with reform policies that entailed progressive social policies combined with market oriented strategies. Given the exceptionally low revenue in relation to GDP at the time, the experts agreed that higher taxes and a substantial fiscal policy reform were required to increase social spending and finance the SEA agenda. Tax increase was seen to complement rather than replace foreign aid, and to ensure sustainability of the socio-economic reforms mandated by the peace agreements. In general, the IFIs and donors were satisfied with the outcome of the negotiations. The SEA was seen as the starting point for future economic reforms, and as an agreement that all the Guatemalan society could live with despite the sacrifices it meant for some sectors.¹¹⁸

Impact

134. Ten years after the signing of the SEA, most target levels specified in the agreement have not been met. Guatemalan social and economic indicators remain very low. The GDP grew only 3.2 percent per year for the period 1995-2005, which is 0.5 percent lower than during the previous decade, and considerably lower than the six percent target set in the SEA for year 2000. Tax revenues as a percentage of GDP increased slightly from 8.8 in 1995 to 10.3 in 2005, which is below the 12 percent target for year 2000 in the SEA. Most of the revenue increase, moreover, came from higher rates of regressive value-added taxes. Child malnutrition, infant mortality and life expectancy indicators are still considerably lower than in the rest of the Latin America and the Caribbean. Poverty remains concentrated in rural areas and among indigenous groups, and socio-economic inequality is among the highest in the world. The public sector is still weak according to international standards, and corruption is widespread (see Table IV).

135. Nevertheless, there have been some positive developments in areas of SEA-mandated reform. The education sector has been reformed, decentralized and received additional public funding equivalent to 20 percent per year in real terms since 1996.¹¹⁹ Primary enrolment has increased, although less so among indigenous groups and the poor. Public spending on public health increased, though it still falls short of the SEA targets, and the spending pattern has a marked regressive dimension. Overall, the coverage of basic services has improved both in aggregate terms and in relation to the poor.

136. The Arzú government's lack of political strength or will to invest political capital in the implementation of the SEA reforms, together with the weakness of the URNG, were the main reasons for the poor implementation record. Some effort was made to renegotiate aspects of the agreement through legislation, particularly in matters of taxation. In late 1997, Congress passed a government-sponsored property tax law designed to improve revenue collection from large property owners. After substantial political pressure from the more conservative sectors of Guatemalan society, which included widespread protests and an adverse ruling from the Constitutional Court, the Arzú government had Congress repeal the law. In 1998, Congress defeated a government proposed modification to the income tax seeking to eliminate deductions. In fact, during the first two years after the signing of SEA, Congress only passed one fiscal reform to improve tax collection despite significant international pressure.

137. The international community and the aid agencies had been deeply involved in the negotiations of the provisions of the SEA, especially with regard to tax issue, and put

¹¹⁸ Susanne Jonas, op.cit.

¹¹⁹ It is still considerably lower than the average of Latin American and Caribbean countries.

some pressure on the government to implement the agreement. Yet pressure was half-hearted or inconsistent. For instance, although both the World Bank and the US government critically noted the government's lacklustre implementation of the SEA provisions, both continued to provide aid so that social programs would not be halted. The Inter-American Development Bank likewise continued to fund programs, and even publicly commended the government for its policies. Although Guatemala received substantially less funds than what the donors had pledged in January 1997, the international community did not succeed in making the government implement the reforms it had undertaken in the SEA. As a result, the social transformation expected from the SEA and the rest of the peace agreement has not taken place.

138. Compared to other peace processes, the conditions in the Guatemalan case favoured the inclusion and implementation of precise and forward looking provisions for socio-economic change and good governance. International aid agencies, as noted, helped to include such clauses in the agreement. The parties to the conflict were committed to a peace settlement, and one party pressed for an agenda that included a wide range of socio-economic and institutional issues. Yet as the Guatemalan experience demonstrates, inclusion of extensive socioeconomic and institutional provisions in peace agreements is not necessarily followed by implementation. In the end, the SEA could only serve as the basis for such transformation. Nevertheless, the SEA has served as a singularly important normative framework policy in the area of post-conflict recovery and socio-economic development. Even now, 10 years later, it is the principal point of reference in the policy debate over what are appropriate levels of social spending, taxation levels, effectiveness of the fiscal system, land reform, and other areas of development covered by this part of the agreement.

Sierra Leone

The peace agreement

139. The Lome Peace Agreement, concluded in July 1999, focused largely on political and security issues, much of it drawing upon the 1996 Abidjan Agreement. The Agreement removed the death sentence of RUF leader Foday Sankoh and granted him the rank of vice president as well as chairman of the Commission for Strategic Resources. It further called for the transformation of RUF into a political party and for a government of national unity with four cabinet posts for RUF. A peacekeeping force comprised of UNOMSIL and ECOMOG, and operating under a new UN Security Council mandate would oversee disarmament and demobilisation. The government would seek additional international assistance to complete the DDR process and restructure and train the army. The Lome Agreement also granted amnesty for war crimes and established a Truth and Reconciliation Commission.

140. The agreement had few provisions on institutional development or socioeconomic matters. There were no provisions for public administration reform. There were references to health and education; the government was to provide free compulsory education and also endeavour to provide free primary health care. The only substantive provision relating to economic governance was article VI, which established a Commission for the Management of Strategic Resources, National Reconstruction and Development. (CMRRD). The Commission was to regulate and sanction all exploitation, sale and export

of diamonds, golds and “other resources that are determined to be of strategic importance for national security and welfare”. All proceeds from diamond and golds were to enter a special treasury account and be spent exclusively on development and reconstruction.

141. The Lome Agreement was followed renewed violence, and in turn by a new ceasefire. The Abuja agreement of November 2000 reaffirmed the validity of the Lome agreement as the framework for the restoration of “genuine and lasting peace to the country”. The parties declared an immediate ceasefire, to be monitored by UNAMSIL, which would have unhampered access throughout the country, including the diamond areas. The parties also agreed to immediately restart the DDR programme, and the government committed to accelerate the restructuring and training of the armed forces. The ceasefire was reviewed and reconfirmed in May 2001.

The negotiations

142. The overriding concern that produced Lome was to put an end to the violence and suffering in Sierra Leone. The violence was accentuated by the January 1999 invasion of Freetown by RUF and former government soldiers. The invasion was accompanied by horrific atrocities and left some six thousand persons dead. Although ECOMOG, the regional Nigerian led peacekeeping force, succeeded in driving out the invading rebels, there were demands for additional international peacekeeping contributions to stem the violence. The US government, in particular, came under increasing domestic pressure to “do something”. Preparations for what became the Lome negotiations started on the initiative of the US, and the UN. UN SRSG to Sierra Leone, Francis Okelo, and the US Special Envoy, Jesse Jackson, helped bring the parties to the negotiating table.

143. Terrible atrocities had put Sierra Leone high on the international human rights agenda, and national and international civil society at the time was primarily concerned with human rights and related issues of amnesty and accountability. In anticipation of the peace talks, the Sierra Leone National Commission on Human Rights and Democracy called a conference in April 1999 with national and international participants. The conference led to a consensus paper that recommended highlighting issues of amnesty, civil military relations, political engagement with the RUF and mechanism for conciliation. There was little focus on governance and socioeconomic issues.

144. The negotiations were hosted by the president of Togo, and Togo’s Foreign Minister chaired the mediation committee, which consisted of SRSG Okelo, and diplomats from ECOWAS countries as well as Libya. Officials from the US the UK and the Commonwealth were active throughout the negotiations. The US also funded three USAID consultants to provide technical assistance. Several national civil society groups attended, partly funded by the US.

145. Except for the commission on natural resources management, neither the former belligerents nor the international participants to the talks showed much interest in issues of socioeconomic and institutional development.¹²⁰ A main reason was international

¹²⁰ A position paper produced by the rebel groups RUF-AFRC just before the conference focused on political and security issues, but also mentioned issues of economic reform and public administration.. The rebels called for a review or suspension of all Government contracts on natural resources, a “more efficient and corruption free” procurement system, increased social spending, and reform of the education system. However, apart from natural resources, these issues appear not to have been pursued by the RUF representatives during the formal

pressure to produce an agreement that would quickly end the violence. This prioritization also helps to explain the limited role of international development agencies in the negotiations in Lome. The UNDP's Resident Representative, in his capacity as Humanitarian Coordinator, reportedly played an instrumental role in ensuring that provisions for humanitarian access were included in the accord.¹²¹ The World Bank communicated its readiness to provide technical assistance to the SRSR, but was not invited to the talks until the very end, when the Bank was invited to give a presentation on demobilisation and reintegration programmes related to the Bank's role as administrator of the previously established trust fund for this purpose. The Bank's participation came after the head of the RUF delegation had left the talks to present the draft peace agreement to his commanders in the bush, and, in the view of some Bank officials, after the parameters for the agreement had been set.

146. The most contentious issues during the negotiations proved to be power-sharing arrangements, the status of the RUF-leader and the withdrawal of ECOMOG. The power – sharing arrangement finally adopted was a package put forward by the US-funded technical assistance team. A central component here was the establishment of the Commission for the Management of Strategic Resources, National Reconstruction and Development, with Foday Sankoh as chair. While ostensibly an instrument for natural resources management, the commission was designed principally as political bargain rather than a tool for good economic governance.

Impact

147. The Lome Agreement, as noted, was followed by renewed hostilities. The RUF proved reluctant to disarm and military attacks continued, culminating with the RUF taking 500 UN peacekeepers hostage. This eventually led to a more robust military action from bilateral actors (UK and Guinea) and a reinforced UN peacekeeping force, UNAMSIL. The RUF leader and a number of other RUF and AFRC members were imprisoned on criminal charges. The Lome provisions relating specifically to the role of Foday Sankoh were effectively voided, and with it the commission for natural resources management. At the request of the government, the UN Security Council authorized the establishment of a Special Court that would deal with the most serious war crimes, thereby lifting the full amnesty granted in Lome and further modifying the original agreement.¹²² The peace process eventually came back on track after a ceasefire was concluded in November 2000 and reconfirmed in May 2001. Peace was declared with completion of the demobilisation programme in January 2002.

148. Although the status of Lome agreement was compromised by these changes, in the view of many it remained the overall framework for the peace transition.¹²³ Nonetheless, the

negotiations.

¹²¹ Reflecting the widespread concern over the violence, Lome included a guarantee of civil and political rights and the establishment for a Human Rights Commission within 90 days. The parties agreed to guarantee safe and unhindered access to all humanitarian aid.

¹²² The UNSC resolution (1315) stated that there was no contradiction between the Special Court and Lome as the UN had stated its objections to this amnesty at the time of Lome anyway.

¹²³ The question of the status of Lome was complicated by a two-track, and sometimes conflicting, response to the violations of Lome, with UNAMSIL and ECOWAS pursuing a strategy of continued political engagement and a return to Lome, and the UK and the Government favouring a military-based strategy to peace. See International Crisis Group, 2001, *Sierra Leone: Time for a New Military and Political Strategy* International Crisis Group Africa Report no. 28.

starting point for peace was now different. Events following the signing of Lome left the RUF largely defeated and thoroughly de-legitimised in the eyes of many international actors. The government was in a stronger position both militarily and with regard to international actors, many of whom had demonized the RUF. In this situation, the government sometimes expressed the view that implementation of Lome was optional.

149. As the post-conflict reconstruction got underway, it became increasingly common to explain the past conflict in terms of “bad governance”, and reform of public administration emerged as a key donor priority. The wide-ranging reform agenda has included an ambitious decentralisation programme, reform of legislation and procedures for anti-corruption, procurement, privatisation and government budgeting procedures, attempts to reform the civil service, restructure the ministries and government agencies, and the establishment of new government bodies and commissions including an Anti Corruption Commission and a National Privatisation Commission. Various donors have in addition established different dedicated project implementation units.

150. The results, however, have been mixed or disappointing. There is increasing disillusion with regards to the government’s political commitment to reform, both among the population and donors. The governance reform process has further suffered from a piecemeal approach and at times by conflicting donor strategies. Numerous project implementation units established by donors outside of the government structures appears to have lessened government ownership and led to missed opportunities for capacity building and comprehensive civil service reform. The donors also seem to have underestimated the force of pre-war and traditional socio-political structures and have relied too much on technocratic reforms and the expectation that the introduction of modern state structures would readily replace existing networks. For instance, a blind spot in the decentralisation process has been the position of the traditional leaders whose role vis-a vis the newly established local councils remains unclear.¹²⁴ This has led to considerable difficulties, particularly with regard to local revenue collection.

151. With the imprisonment of Foday Sankoh, the CMRRD provided for in Lome became inoperative, but the diamonds remained important. Significant progress has been made to establish government control of the diamond sector and attempts to ensure that a portion of revenues benefit mining communities. In the spirit of the Lome agreement, a fixed proportion (25 percent) of government revenues from export taxes was transferred to a Diamond Areas Community Development Fund (DACDF).¹²⁵

152. On the whole, basic issues of economic recovery have received significantly less attention from donors than governance and public administration. There is concern that the present GDP growth rates of 7 percent can only be sustained with greater efforts to increase productivity in the agricultural sector and stimulate private sector development. The latter task is impeded by a regulatory environment for private sector development and investment “which ranks among the worst in the world.”¹²⁶ Other important constraints

¹²⁴ Yongmei Zhou, 2006, *Supporting Decentralization in Sierra Leone Reflections After the first Two years of IRCBP Implementation* (World Bank, Africa Region)

¹²⁵ This fund was disbursing money to mining chiefdoms to be spent on community development. However following controversies over allocation procedures at the local level, the government suspended disbursements from the fund in 2004.

¹²⁶ EC/ DfID, 2006, *Joint EC/DFID Country Strategy for Sierra Leone Final consultation draft* available at <http://www.dfid.gov.uk/consultations/sierra-leone-cs.pdf>, p. 6

on economic development are poor infrastructure, with a slow process of road construction and “no improvement” in electricity and water supplies since the end of the war.¹²⁷ As for investment in human capital, Lome had general references to health and education, but progress has been slow. The country remains at the bottom of the Human Development Index, only surpassing Niger in the two last ranking exercises. Primary school enrolment has improved since the war, although data is incomplete. Child and maternity health indicators are the worst in the world.

153. There is some apprehension that the combination of massive unemployment, particularly among youth, with widespread political discontent could fuel renewed war. Some donors (DfID and the EC) have proposed donors refocus on socioeconomic issues.¹²⁸ A post-UNAMSIL mission, UNIOSIL, has been working with the government to develop a peace consolidation strategy designed to prevent youth unemployment and other problems from undermining short-term stability. The strategy is intended to be the basis for the UN Peacebuilding Commission’s support for Sierra Leone.

154. Given the minimalist nature of the Lome agreement, would more comprehensive agreement have been a better basis for post-war reconstruction and statebuilding? Two aspects are important in this regard. The usual divisions of labour between security and development actors in the international aid community were also evident at Lome, with the concern of the former prevailing during negotiations. Even if the concerns of development actors had been more strongly represented, however, it is not clear that strategies for building state capacity and promoting overall economic development would have been the result. At the time, development actors mostly focused on recovery and community development as key ingredients of post-conflict reconstruction. With the partial exception of Dfid, few had developed strategies for building long-term state capacity.¹²⁹

155. A second issue is whether more extensive provisions in the areas of economic reform and governance would have created a stronger political momentum for change. Here one can only speculate. It should be noted that institutions and measures that *were* included in Lome have faced obstacles, for instance, the Truth and Reconciliation Commission.¹³⁰ So have the commissions that were established later (e.g. to prevent corruption). As discussed above, lack of political will on the part of the government as well as lack of coherence among donor policies have combined to hamper reforms.

¹²⁷ First report of the Secretary General on the UN Integrated Office in Sierra Leone 28 April 2006, S/2067269

¹²⁸ A 2006 joint Dfid-EC paper (op cit.) states that a lesson from Sierra Leone is that ‘a concentration on state reconstruction and governance should not be at the expense of an early focus on basic service delivery and economic growth and job creation.’

¹²⁹ Dfid appears early on to have attempted more comprehensive governance reforms through the Governance Reform Secretariat it established. However, the Secretariat never took on the role of coordinating overall governance reform.

¹³⁰ The commissioner reportedly threatened to resign on numerous occasions due to lack of government support. Important elements of the TRC recommendations published in 2004 have yet to be implemented, including the establishment of a special fund for war victims (which was a separate provision in the Lome Agreement).

Liberia

The peace agreement

156. The Comprehensive Peace Agreement (CPA) signed in August 2003 has a low specificity score and medium scope. Unlike the other “new” agreements, it has several provisions that deal with public administration and governance, although these are mostly of a general nature.

157. The main focus of the CPA is the structure and composition of the National Transitional Government of Liberia (NTGL), thereby providing the legal basis for the extra-constitutional transition period. The division of power among the contesting parties (the government and the two anti-Taylor coalitions) is specified in Annex 4 of the agreement, which distributes the ministerial and deputy ministerial positions for 21 departments, and chairmanship for 22 public corporations as well as 22 autonomous agencies. Civil society also got a small slice of the last category. The CPA further established two independent commissions, the Governance Reform Commission (GRC) and the Contract and Monopolies Commission (CMC), with a mandate to ensure the implementation of such issues during the two-year transitional period.

158. The mandate of the GRC was to promote the principles of good governance in Liberia through the development of public sector management reforms, the assurance of transparency and accountability in governance in all government institutions and activities, and the assurance of an environment which will attract private sector investment. The GRC would also monitor, assess and report to the transitional legislative assembly on the implementation and impact of activities undertaken to encourage the practice of good governance. The main responsibility of the CMC was to oversee activities of contractual nature undertaken by the NTGL, including ensuring that all public financial and budgetary commitments entered into by the NTGL were transparent, non-monopolistic and in accordance with Liberian law and international norms and standards. The CMC was further mandated to ensure that public officers would not use their positions to benefit from any contracts financed from public funds. The Commission’s mandate was also to oversee the formulation and implementation of sound macro-economic policies which would support sustainable development goals.

The negotiations

159. The CPA was negotiated against the backdrop of mounting violence and a growing belief in the region and beyond that Liberia, and specifically Charles Taylor, had become a source of conflict in West Africa as a whole. It took substantial pressure from the international community, more than two months of peace talks, and military intervention by ECOWAS - supported by the United States - to reach the settlement. Although a ceasefire agreement was signed in June 17, 2003, the violence continued, resulting in a grave humanitarian crisis and several interruptions to the talks.¹³¹ The critical humanitarian and security situation in Liberia was a decisive backdrop for the peace process. It encouraged the parties to attend the talks in the first place, and led the international community to put pressure on the parties to end the fighting.

¹³¹ UN Agencies were evacuated to Abidjan in early June, and did not return until mid-August.

160. The war ended with a negotiated settlement among the parties to the conflict, mediated by the ECOWAS mediator, the former Nigerian Head of State, General Abdulsalami Abubakar, with support from representatives of the African Union, the UN the US and the International Contact Group. The agreement provided for Charles Taylor to be exiled to Nigeria, and Liberia would be governed for two years by a national transitional government that would organize free and fair elections with the assistance of the international community. The negotiations consequently focused on the mechanisms of the transition. It became clear during the peace talks that the corruption, mismanagement of state resources and political patronage that had characterized the Taylor administration also was an issue for the parties to the talks. The agreement detailed the distribution of government positions, which for the opposition was viewed as a reward for services in the war. Disarmament and security sector reform were also part of the agenda but were given less priority.

161. In addressing issues of economic governance by establishing the two commissions in this field (the CMC and the GRC), the peace agreement reflected the conviction that poor governance had been an important cause of the conflict. Other conflict-related issues, notably over management of natural resources and state-owned corporations, as well as revenue collection mechanisms, were not addressed in a substantive manner during the peace talks or in the CPA. The main purpose of the CPA was to legitimate and regulate the NTGL. Neither the parties to the CPA nor the mediator thought that the peace talks were the appropriate process for addressing management of natural resources or revenue collection. The parties had little time to develop an agreement in these contested and difficult areas, which were seen to require major reform based on a wider national consensus. Such a process could most appropriately be launched after a democratically elected government was in place. It was agreed, however, to place these items on the agenda in a preliminary form during the transition period, hence the establishment of the two commissions.

162. The international development agencies did not participate in the Liberian peace negotiations. Possibly this was due to the political and security focus of the talks. As for the World Bank, Liberia had been in a non-accrual status with the Bank since June 1, 1987 and no loans had been made since 1984.¹³² Only after the signing of the CPA did the Bank get involved in post-conflict planning, and there was no Bank country officer in the field until July 1, 2004. Nevertheless, given its presence in other West African countries and likely future reengagement in Liberia, the Bank's position was that it was ready to provide technical assistance upon the request of the mediator or the parties

163. The UN was represented at the talks by the Special Representative of the Secretary-General for West Africa, Ahmedu Ould Abdallah, and the Department for Political Affairs. The head of the UN Peace-building Support Office in Liberia (UNOL) was providing technical political assistance as per the request of the parties and the mediator during the talks. UNOL had been operating in the country since 1997 under a broad mandate to promote national reconciliation, good governance, the rule of law and human rights as well as to coordinate international assistance for reconstruction and development programs.

¹³² As of the signing of the CPA, disbursements had totalled \$141.3 million from 22 loans and \$91.5 million from 17 IDA credits.

Impact

164. By the end of the two-year transition period Liberia had made some progress, but several issues were pending regarding public administration, governance and economic recovery. Outstanding tasks included reintegration of ex-combatants and the consolidation of state authority throughout the country. In addition, Liberia's timber and diamonds were still under UN sanctions by the time the elected government took office.¹³³
165. The temporary mandate of the NTGL, and the fact that the Chairman and the Vice-Chairman were not allowed to contest any elective office during the scheduled 2005 elections, provided no incentive for its members to commit to long-term reform decision and made the main NTGL members largely unaccountable for their actions. The distribution of government positions including public corporations and state-owned enterprises in the CPA to the political parties ensured that the executive branch was largely composed of people without any technical capacity. More important, by allocating posts in return for services in the war, the CPA tacitly authorized mismanagement of funds and resources. It also created closed fiefdoms without appropriate channels or incentives for external monitoring. These structures also worked at cross-purposes with the reforms agreed to by the NTGL in talks with the international aid community on the Results-Focused Transition Framework (RFTF) in February 2004.
166. The GRC did accomplish a review of mandates, functions and structures of ministries and selected agencies, a management review of several public institutions, and produced a civil service census. It led nationwide consultations and town meetings and workshops to identify the principal governance needs. It did not monitor government actions in the transition period more closely, however. Its main impact was to lay the foundation for work continued by the GRC during the tenure of the elected President Johnson-Sirleaf¹³⁴. The CMC similarly failed to realize its ambitious mandate of ensuring transparency and accountability in the award of contracts and procurement of goods and services. Already early in the transition period the CMC was totally bypassed by government agencies that entered into contracts and concessions on their own. Lacking instruments of enforcement, the CMC mostly tried to create awareness of proper procurement procedures in the ministries.
167. Growing international pressure to correct corruption and mismanagement led to attempts in 2004 to strengthen the mandate of the CMC. However, the main impact of the CMC was to provide the basis for its successor entity, the Public Procurement and Concessions Commission, which replaced the CMC when the CPA expired. Recognizing the limitations of internal reform, the international community tried another approach by pressuring the NTGL to accept Governance and Economic Management Assistance Program (GEMAP). The GEMAP entailed intrusive international auditing to enforce international standards of economic governance.
168. The new government of Sirleaf-Johnson, by contrast, started its tenure with a comprehensive reform program. It promised to address corruption, embraced GEMAP, and adopted an agenda for reconstruction and development in areas of security, economic

¹³³ A UN ban on timber and diamond exports was originally put in place to prevent the financing of the war. Sanctions on timber were lifted in December 2006, but the UN Security Council extended the ban on diamond exports from Liberia due to lack of transparency in this sector.

¹³⁴ Liberian Executive Order No. 2, dated March 7, 2006, extended and reviewed the mandate of the GRC.

revitalization, basic services and infrastructure, the rule of law and good governance. After only a year in office, results started to appear.

169. Progress has been made in the restoration and consolidation of state authority throughout the country. Large numbers of government officials, including superintendents and customs and immigration officials, have returned to districts outside Monrovia. The government has taken action to facilitate the payment of civil servant salaries by creating Central Bank payment centers in several parts of Liberia, though substantial efforts are still required to address the dilapidated conditions of government structures and the absence of basic services. The increase in civil servant presence has raised revenue collection and control of cross-border traffic. General progress has also been achieved on economic governance matter, in particular in the implementation of GEMAP. The Economic Governance Steering Committee and the programme technical teams meet regularly to monitor and evaluate the rate of implementation. In this respect, public revenues for the period from January to March 2006 was three times the amount collected for the same period during 2005. In addition, on May 2006, the Public Procurement and Concessions Committee (former CMC) published a framework to guide the contracts and concessions review process, and an independent review of all contracts and concessions entered into by the NTGL is being undertaken by such committee.
170. On the other hand, socio-economic indicators have not improved substantially. The growth rate estimated for the year 2005 was only 5.3 percent. Basic services have not been reestablished in most parts of the country, and public utilities are not functioning. The reconstruction of road and bridges is lagging, which has affected the general economic rehabilitation of the country. The education system is virtually destroyed and unemployment is very high, particularly among youth, unskilled labour and returnees, refugees and former combatants.
171. In retrospect, it seems that while the CPA provided an effective structure for a political transition, the agreement had on balance negative short-term effects in the area of public administration and economic reform. Whether these could have been reduced by introducing more and stronger provisions in the peace agreement remains conjectural. It is at any rate clear that the political focus of the negotiations, the overriding concern to end the violence, and the conviction of both the local parties and the mediator that long-term issues of governance and natural resource management required the development of a political carrying consensus, would have made it difficult and possibly counterproductive to place additional and highly contested issues on the negotiating table.
172. The international community had other instruments at its disposal to press the case for better governance, statebuilding and natural resource management. These included the aid agencies framework for tracking results during the transition period (RFTF). RFTF, the UN sanctions regime, and, most recently, the GEMAP. These arrangements were more effective than the more limited set included in the peace agreement. The GEMAP, it will be recalled, while imposed on a reluctant transitional government, was more effective when backed by the new reformist government, which embraced the arrangement as a useful tool of statecraft for the administration. Whether the early positive results of GEMAP can be sustained is another matter and, according to critics, a crucial issue.

Afghanistan

The peace agreement

173. The Bonn Agreement was essentially a framework agreement that set out the main principles, procedures and a four-year timeline for the political transition from an interim authority, to be established immediately, to a fully elected government. The brief document also delineated the main structures and functions of the interim administration. In this connection, three principles relating to institutional development in the public sector were specified.

- The Interim Administration would have full jurisdiction over the printing and delivery of the national currency, and establish a central bank to regulate the money supply.
- A Civil Service Commission would prepare a shortlist of candidates with ‘competence and integrity’ for high level positions in the ministries as well as for governors and district officers.
- Members of the Interim Administration must abide by a Code of Conduct that follows international standards.

The negotiations

174. The Bonn Agreement was negotiated in extreme haste.¹³⁵ The meeting opened at a secluded conference center outside Bonn on 28 November, and the agreement was signed only 8 days later, on December 5. There were several reasons for the haste.

175. The Northern Alliance had taken Kabul already in mid-October. While the Northern Alliance was affiliated with UN-recognized government of Afghanistan, and constituted the principal Afghan military faction that had fought against the Taliban, it was composed of minority ethnic groups. Other factions drawn from the majority Pashtun community or representing other political groupings were waiting in the wings, each with their respective foreign supporters. The US let it be known immediately that exclusive Northern Alliance rule of Kabul was unacceptable. As the Alliance was taking Kabul, Secretary of State Colin Powell went before the UN Security Council to call on the UN to establish an international administration to govern the city, supported by an international ‘coalition of the willing’ to provide security in the city.

176. The UN had quickly made clear that it would not establish a transitional administration in Afghanistan as it had done in East Timor and Kosovo. To prevent the Northern Alliance from consolidating its hold on the ground, a legally sanctioned government alternative had to be put in place as soon as possible.

177. The international aid agencies were also impatient. A donors’ conference was to assemble shortly, and the aid agencies wanted to get on the ground quickly. Recognizing this, the UN SRSG for Afghanistan, Lakhdar Brahimi, called for the rapid formation of an Afghan administration that could establish a national framework for setting reconstruction priorities and regulating the aid organizations that were assembling at the border. Quick

¹³⁵ On the transition process, see “A review of peace operations: A case for change,” London: King's College pp. 325-368. <http://cds.ipi.kcl.ac.uk/C010402.htm>

political action would help prevent the aid regime from getting ahead of the political process.

178. An Afghan government that would meet UN standards of self-determination and democratic representation could not be formed in a matter of weeks. The peace agreement therefore had to be merely a framework for a transitional process. The main outline of the process and its relationship to the planned UN mission (UNAMA) had been taking shape well before the Bonn meeting convened, and, in fact, was discussed in the international press before the conference opened.

179. Afghan representatives drawn primarily from the Northern Alliance and two exile groups assembled in Bonn. Numerous foreign states were represented as observers, but the formal negotiations were conducted only among the Afghans and mediated by the SRSG. Brahimi and his negotiating team had been instrumental in developing the concept and obtaining support for a framework agreement in the UN and among the various Afghan factions. As a result, the agreement could be signed after only a few days of deliberation in Bonn. Nevertheless, there were several contentious issues. Foremost among them was the question of factional representation in the interim administration. The problem was solved by adopting an inclusive power-sharing formula for the composition of the Interim Administration (IA). The IA would have five vice-chairmen with sectoral responsibility, and 24 ministries, plus the chairman. The list of appointed officials was attached as an annex to the agreement. The more fundamental question of what would be the constitutive principle of the new order – a republic, a monarchy, or an Islamist state – was left for the future constitutional process to decide.

180. Despite the haste and the focus on the political mechanics of the transition, fairly specific provisions relating to fiscal matters and public sector conduct were also included in the agreement. This was primarily the work of one of Brahimi's advisor, the later Finance Minister of Afghanistan (2002-04), Ashraf Ghani. The Bank had seconded Ghani, a long-time employee of the World Bank, and his assistant at the Bank, to the SRSG's negotiating team. A main concern of Ghani was to see a strong technocratic element in an architecture that had legitimacy on the ground. Specific provisions to this effect therefore needed to be incorporated in the peace agreement. Three clauses made it in, as noted above. Of these, one had an immediate political rationale. Ensuring that only the central government could print and control currency through its central bank would undermine the power of rival military forces which issued their own money or had accumulated stocks of the present currency. Currency reform also aimed to replace the widespread use of the Pakistani rupee in the Taliban heartland in the south. The code of conduct and the merit requirement for appointments to top positions in the civil service complied with international concepts of transparency and were also favoured in the UN system. These clauses clashed with the logic of patronage and were obviously not helpful to craft a political formula for the transition. Nevertheless, these clauses survived the preparatory work for Bonn and were accepted by the conference without much debate.

Impact

181. Developments in areas governed by the three institutional and governance principles noted above show mixed results. The provisions for currency reform provided the legal basis for early reforms undertaken by the transitional administration in cooperation with the IMF and the UNAMA. The currency reform was widely recognized as a major success

of the post-Taliban government. It established a framework for stability and discipline in fiscal matters and put in place a critical institutional element for economic recovery and development. It is doubtful whether the reform had the intended political effects of undermining the power of rival military forces. The only regional commander with a serious money-printing operation (General Dostum in the North) has adapted politically and affirmed his regional power. Pakistan's influence in the South is tied more to the resurgent Taliban movement than the circulation of the rupee. Small and larger commanders have, or at least had for some time after Bonn, other sources of income, including the opium economy and remuneration from foreign forces or agents.

182. Reform of the central bank was likewise the first policy initiatives of the transitional government. While the Bonn Agreement did not specify that the central bank should be independent, this requirement was added in the constitution (art 12) to guard against printing of money to cover budget deficits. In practice, the government has been repeatedly praised by the IMF and the World Bank for its constraint in this area. Budget expenditures have consistently been financed by domestic revenues and external assistance without borrowing from the central bank.¹³⁶ In addition to the constitutional guards, fiscal prudence reflects the government's extreme dependence on external economic assistance. With foreign aid representing 85-90 percent of the total national budget (core and external combined), the government can ill afford to disregard principles of fiscal discipline held up by the IFIs and other donors.

183. Reform of the civil service, by contrast, has been slow and difficult. The lack of a political carrying consensus for reform, the legacy of a bloated bureaucracy, and the pervasive principle of political patronage, have made the work of the Civil Service Commission very difficult. The notion of a merit-based list of candidates for top positions, vetted for competence and integrity, was not realized until some four years after Bonn. Even then, the President made appointments to some high administrative positions (governors and police chiefs) that mostly reflected political contingencies. A series of political rather than merit-based appointments for police chiefs in mid-2006 provoked open criticism from several foreign donors. As for code of conduct, corruption seems to have been increasing over time, and was judged as "widespread and on the increase" in the World Bank's Interim Strategy note in mid-2006.¹³⁷

184. Reform of the civil service and in public sector management has nevertheless proceeded along other lines and without being anchored in the Bonn agreement. Reform has taken three main forms: (i) A program for preferential reform of select ministries (PRR) that provides for recruitment by merit and separate pay scales has been instituted in some select ministries (starting with the Ministry of Finance). (ii) Reliance on contracting in capacity for important fiduciary functions (audit, procurement and financial management), above all in the Ministries of Finance and Economy and the Auditor General. The Ministry of Rural Reconstruction and Development, which handles national flagship programs like the National Solidarity Program, has outsourced both project oversight and implementation to mainly foreign aid organizations. The Ministry of Public Health likewise relies on contracts with NGOs to deliver basic health services. (iii) Important parts of the aid transfers are audited by international firms; this applies to IDA funding from the World Bank and all funds channeled through the World Bank administered trust

¹³⁶ *Interim Strategy Note for Islamic Republic of Afghanistan for the Period FY07-0'* (hereafter ISN), The World Bank, April 12, 2006, p. 6.

¹³⁷ ISN, p. 14.

fund (ARTF). All the reforms are based on external funding and/or expertise and have produced parallel structures in important state functions. Questions have consequently been raised whether these are sustainable or counterproductive strategies of statebuilding.¹³⁸

185. Important structures were also laid early by the Interim Administration for coordinating external assistance and using the budget as a central tool of government policy. These initiatives as well as the public administration reforms noted above were largely undertaken by a small group of technocrats working with Finance Minister Ashraf Ghani and in close cooperation with key donors, particularly the World Bank. The commitment of central national technocrats and the strong formal role of the Bank (as administrator of the ARTF) were the main pillars in the consensus that carried the early reforms at the central level and implanted a structure for their continuation. The absence of formal provisions to this effect in the peace agreement was evidently not an obstacle, and could have been beneficial by not announcing the reform agenda and thereby mobilizing the opposition.

186. In broader terms of statebuilding and peacebuilding, progress has been decidedly uneven or even negative, as a recent mission of the UN Security Council found.¹³⁹ The growing insurgency is partly related to extraneous developments, above all the war in Iraq. Other developments that have undermined the effectiveness and credibility of the state – notably the expanding opium economy – were anticipated at the Bonn meeting. Annex III (6) explicitly calls for international support to combat cultivation and trafficking of illicit drugs. The counter-narcotics programs has been criticized as too little and too late, yet even with hindsight there are no models and ‘no track record for dealing with a problem like this,’ as the World Bank concludes.¹⁴⁰

187. Most analysts regard the Bonn accords as a model peace agreement for the kind of situation it addressed. It was iterative and flexible, yet had benchmarks and principled guidelines. It provided a foundation for statebuilding and peacebuilding. That this process faltered cannot be faulted on the agreement except in one respect, and that flaw relates to its political provisions. As Lakhdar Brahimi later concluded, the Bonn agreement should have followed the practice of most peace agreements of dealing with the defeated party, in this case, by including the Taliban at the table.

IV. CONCLUSIONS & POLICY IMPLICATIONS

State functions and peace agreements

188. Only three of the six categories of state functions were included in all the five country agreements considered here - security, justice and political representation (see Table II). This tallies with the results from the larger sample studied in Part I, where provisions for

¹³⁸ Chr. Michelsen Institute, 2004, *Conflictual Peacebuilding. Afghanistan Two Years After Bonn*. Report prepared for the Norwegian Ministry of Foreign Affairs, available at www.cmi.no/publications.

¹³⁹ S/2006/935, 4 December 2006.

¹⁴⁰ ISN, p. 6, and the World Bank and UNODC, 2006, *Afghanistan: Drug Industry and Counter-Narcotics Policy*.

security reform and at least one instrument for political representation (elections) were found in almost all agreements, and a large majority of agreements also had at least one provisions for justice (human rights) (see Fig I). This does not necessarily make them “core” state functions, but perhaps “core elements” of contemporary peace agreements. Provisions for public administration and governance (PAG), economic recovery and reform (ERR), and post-war integration measures, on the other hand, were more inconsistently incorporated in the country studies of five. Two agreements had no PAG provisions, one had none for economic recovery and reform, and the same applied to post-war integration.¹⁴¹

Table II. Structure of peace agreements in country cases, by category and frequency of provisions

Cases	Security	Public admin and governance	Justice	Econ recovery and reform	Political representation	Postwar integration
Mozambique	3	0	1	0	2	2
Guatemala	3	4	5	8	3	3
Sierra Leone	2	0	2	3	4	3
Liberia	2	7	1	2	3	3
Afghanistan	2	2	2	2	3	0

189. Comparing the five peace agreements with respect to the frequency of provisions within a given category, we find the largest range of differences with respect to economic recovery and reform, where Guatemala is the outlier with 8 provisions. The range is also large on public administration and governance, here Liberia represents the high extreme. The main reasons have been discussed in the case study analysis. The close attention to governance and economic recovery in the two cases reflected the general understanding during the peace talks that these matters were at the heart of the past conflict and hence a requirement for the future peace. A criterion of direct relevance to the conflict, in other words, was applied.

190. A further examination of the provisions within the categories defined as public administration and governance (PAG) and economic recovery and reform (EER) shows substantive diversity of substantive areas and a narrow distribution (Table III). The most frequent item under PAG is civil service reform, and institutional development for good governance through oversight mechanisms (audit organizations, legislative oversight and independent prosecution and enforcement, here called national integrity institutions). Three of five agreements have provisions for both types of reforms. Other provisions for public administration and governance are infrequently or inconsistently incorporated. A similar pattern appears on the economic side. Three of five agreements provide for institutions or policies to establish a viable macro-economic framework for the post-conflict order. All other provisions in this category are less frequently and inconsistently included. Only one agreement clauses governing natural resources management (Lome).

¹⁴¹ Comparison of frequency across categories is affected by the different number of sub-categories in the original matrix (see Annex C). If these are adjusted for, the frequency pattern is roughly the same in the small as in the larger sample.

As shown in the case study analysis, this provision was designed primarily as part of a political bargain rather than as an instrument of economic governance. The incorporation of economic and governance provisions does not follow the distinction between “old” and “new” agreements. One old and one new case have both high inclusion figures, while a different pair of old and new case have low or zero inclusion of such provisions. The explanation for this is brought out by a closer examination of the cases.

Table III: Coverage and specificity of peace agreements, Afghanistan, Guatemala, Liberia, Sierra Leone and Mozambique*

ECONOMIC RECOVERY AND REFORM	AFG	GTM	LIB	SL	MOZ	PUBLIC ADMINISTRATION AND GOVERNANCE	AFG	GTM	LIB	SL	MOZ
Macro economic framework	2	1	1			Civil service reforms	2	2	1		
Productive sectors (including natural resources)		2		3		Reorganization of public administration			1		
Financial, business, investment and labour regulatory frameworks			1			Fiscal management		1	1		
Trade policies						Aid coordination mechanism			1		
Social security/welfare provisions		2				Humanitarian emergencies					
Land reform/redistribution		3				Anticorruption			1		
Regional wealth allocations						Privatization and public procurement procedures			2		
Employment policies		2				Strengthening national integrity institutions	2	1	1		
Physical infrastructure	1	1				Revenue collection mechanisms		2			
Education		3		1		Property rights and contract laws					
Health		3		1							

*Note: The values entered are the specificity scores (1-3). A given function has been coded with only one entry regardless of the number of provisions with which it is specified.

Comparing the cases: economic and governance functions

191. Considering only the parts of the peace agreement relating to economic recovery and governance (ERR/PAG), it is clear that requirements of post-conflict statebuilding in the five country cases were not uniform (see Table IV). Four faced enormous challenges of post-war reconstruction and development; in Guatemala the main issues were structural reform and distribution in the process of development. All ranked low on commonly used governance criteria. In three cases, institutional developments relating to statebuilding

were critical (Afghanistan, Sierra Leone and Liberia), in the other two, reform of the state rather than statebuilding was the pressing issue. For these reasons alone, the substantive nature of the peace agreements could be expected to differ.

Table IV: Country indicators

Country	Year of agreement	HDI *		HDI *		IDA Resource Allocation Index (IRAI) **	Ranking on corruption index 2005***
		First data available after agreement score	ranking	Most recent data available score	Ranking		
Mozambique	1992	0. 252	159/173	0. 390	168/177	3.5	97
Guatemala	1996	0. 624	117/164	0. 673	118/177	n.a	117
Sierra Leone	1999	0. 258	162/162	0. 335	176/177	3.1	126
Afghanistan	2001	0. 346	173/177	0. 346	173/177	n.a	117
Liberia	2003	0. 319	n.a	0. 319	n.a	n.a	137

* Human development Index. Numbers for Liberia and Afghanistan are estimates.

**On a scale from 1-6. IRAI is calculated as the mean of the score of the four clusters (Economic Management, Structural Policies, Policies for Social Inclusion/Equity, and Public Sector Management and Institutions) of the World Bank's Country Performance and Institutional Assessment (CPIA) exercise

*** *Bottom rank =158

Sources; *Transparency International Corruption Perception Index 2005, Human Development Report 2006, 2001, 1999,1994, Afghanistan National Human Development Report 2004, Liberia National Human Development Report 200, Word Bank 2005 IDA Resource Allocation Index (IRAI)*

192.Three cases - Mozambique, Sierra Leone and Afghanistan - had what we might call minimalist peace agreements, with few economic and governance provisions. Yet they were similar for different reasons, mostly relating to the context of the peace talks and the nature of the post-war state.

193.Mozambique had emerged from the war with a functioning central state and considerable administrative capacity, especially when compared to the Afghanistan and Sierra Leone cases. Moreover, the Mozambican agreement was negotiated before “statebuilding” became a priority issue on the international aid agenda, and it seems anachronistic to ask why more statebuilding provisions were not included. Economic recovery and reform was already underway in a comprehensive policy program launched prior to the peace process and which continued parallel to it. Including such provisions in the peace accord would be redundant. The agreements for Sierra Leone (1999) and Afghanistan (2001), by contrast, were negotiated at a time when statebuilding was gradually becoming an issue in the aid community. The two cases were themselves emblematic of the weak or “failed state”. Nevertheless, few statebuilding provisions were included. The accords were designed as a framework agreement to establish a transitional political structure; political and security concerns dominated; and the participants negotiated under intense pressure of time. The Lome agreement for Sierra Leone was completed in six weeks and the Bonn agreement for Afghanistan was negotiated in only eight days. The Mozambican peace agreement, by contrast, was negotiated over a period of two years in order to reach an enduring settlement that would end the war and integrate the rebel forces.

194.Lack of provisions for economic and institutional reform in the peace agreement were partly compensated for by the introduction of other instruments for this purpose, which occurred soon after the peace agreement was signed (Afghanistan), or had been launched

earlier and proceeded in tandem (Mozambique). In Sierra Leone, an important provision for natural resources management had been inserted in the peace agreement as part of the political bargain; when the bargain collapsed, so did the provision.

195. The implementation economic and institutional reform measures in Afghanistan and Mozambique has been shaped by both context and actors. In the latter category, the commitment of a core of reform-oriented national officials to work closely with the international aid agencies has been critically important. “Political will”, in OECD terminology, has been an essential ingredient in creating capacity, although the level of pre-existing capacity was a severe constraining factor (as evidenced in Afghanistan). In post-war Sierra Leone, neither capacity nor political will to reform the administration along lines advocated by donors was in much evidence, although failure by aid agencies to coordinate their various programs of reform contributed to the lack of progress.

196. The most comprehensive of the five agreements, the Guatemalan accords were negotiated incrementally over more than ten years. The result was an extensive and detailed agenda for reform, with clear obligations placed on the contracting parties. It included provisions for socio-economic change and the reform of important state agencies. The agreement was a product of the particular causes and nature of the Guatemalan civil war, and the widespread recognition that socioeconomic issues – especially the agrarian question – and the relationship between state and society must be addressed in order to restore and sustain the peace.

197. The peace agreement in Liberia (2003) was negotiated in the context of a humanitarian crisis. As in Sierra Leone, the overriding concern was to find a political formula that would end the violence and lay some basis for a new beginning. There was also a sense that the conflict in part had been caused by a non-functioning state, and that better management of the state and its resources was essential. This harmonized with an emerging understanding in the international aid community regarding ‘state failure’, and in particular, the mismanagement of natural resources as a cause of civil war in Africa. As a result, some rather specific provisions to promote transparency and accountability in public administration and economic management were included in the agreement.

The role of international development actors

198. International development actors (IDAs) are important to peace negotiations for several reasons. Agreements typically require international financing to be implemented (e.g. on security sector reform). Involvement of aid agencies in the process can encourage them to buy into the reconstruction process mandated by the agreement, although this does not always follow (as in Guatemala). The presence of international financial organizations can serve as a tangible guarantee of future reconstruction and thereby help to cement the talks (as in the Dayton agreement on Bosnia). Peace agreements and post-conflict reconstruction need to be aligned in order to be mutually supportive (the lesson from El Salvador). IDAs can also play a more direct role in the negotiations with respect to agenda setting and technical assistance. There are, however, also considerations of relevance and legitimacy. In Sierra Leone and Liberia these factors produced virtually no opening for the international financial institutions to participate, although the centrality of humanitarian issues enabled UNDP to make a contribution to the Lome talks and the final agreement. In Guatemala, both the Bank and the Fund could play an important role because economic development issues had been central to the conflict. Post-war economic policies therefore

had to be closely aligned with the peace agreement and indeed be a central component of the settlement itself.

199. IDA contributions to peace negotiations are more likely to be solicited and incorporated if the agencies can demonstrate case-specific capacity. In the five country cases examined here, that meant prior involvement and presence in the country concerned, known expertise on staff level, and support from high-level leadership in the organization. In the Afghan case, for instance, the Bank had maintained a “watching brief” on the country during the Taliban period, had high-profile staff expertise, and encouragement from the president’s office to play an active role in the reconstruction process. When the opportunity for peace talks arose, the Bank seconded staff to the UN SRSG who played an important role during the negotiations. The participation also depends upon the priorities of the mediators and their relations with the agencies. In Liberia and Sierra Leone, the mediators had a close relationship to UNDP but not to the Bank. This further reduced the opportunity for the Bank to contribute despite its readiness to provide technical assistance.

Including statebuilding provisions in peace agreements

200. As discussed above (sec II (4)) well-constructed peace agreements can serve as a foundation for post-war statebuilding, including provisions for economic recovery and institutions of good governance. But post-conflict provisions will only be effective to the extent they rest on a political consensus and national ownership. These conditions may not prevail at the time of the peace talks, in which case inclusion at most will have a signalling effect (and at worst may sink the talks). Moreover, there are many instruments other than peace agreements to establish a foundation for post-conflict peacebuilding. What do the five country case studies tell us about the consequences of including (or not) such provisions in a peace agreement?

201. While the minimalist peace agreements in Afghanistan, Mozambique and Sierra Leone in themselves were a slim basis for post-war statebuilding, this was not the whole story. As we have shown, statebuilding agendas were pursued through other institutional arrangements, both before the peace talks (Mozambique) and afterwards (all three). Can it be argued, counterfactually, that a more comprehensive agreement would have provided a stronger basis? Possibly, yes, provided the participants had accepted the inclusion of such clauses, and if their agreement had been more than merely tactical. The counterfactual argument can be tried out, as it were, on the two remaining cases - Guatemala and Liberia - which were more comprehensive. The Guatemalan accords were also highly specific in detailing the commitments to be undertaken.

202. Although the Guatemalan government had the capacity to discharge its obligations under the peace agreement, it proved unwilling to do so in view of the domestic balance of power and the half-hearted attempts by donors to apply peace conditionality. Ten years later, the part of the agreement considered here (the SEA) remains in large part an agenda for future reform. Nevertheless, the unique status of the agreement gave it a singularly important role in norm-setting. The tortuously fought over and negotiated document provided a continuous point of reference for the policy debate and remains a legitimate framework for assessing policy.

203. In Liberia, the two independent commissions established by the agreement to improve economic and political governance management initially worked in a difficult

environment. They accomplished little during the transitional administration. Yet they provided an entry point for the aid community to press their case and later introduce more intrusive measures in the form of GEMAP, a UN-authorized program to monitor governance and external assistance. The combination of GEMAP and a new, elected government committed to reform and cooperation with the international aid agencies produced quick results, but the sustainability of a GEMAP approach to governance issues remains uncertain.

Policy implications

204. Timing, as a review of GEMAP points out, “is an important consideration in any robust intervention”. The report continues: “The greatest scope for external intervention in a sovereign state is immediately after the conclusion of conflict, in the elaboration of an internationally-brokered peace process.”¹⁴² This reasoning has led some to conclude that provisions for statebuilding, good governance and resource management should be included in a peace agreement. The assessment of the present study is more qualified.

205. The desirability of including statebuilding provisions depends in the first instance on the effects on the peace process itself. Inclusion can affect the balance between the two basic functions of a peace agreement – “forward looking” provisions to sustain the peace, and “backward looking” provisions to secure an end to the violence. The balancing point, so to speak, will vary according to context and they often involve trade-offs. Inclusion of post-conflict provisions may set norms and provide entry points for later reforms; it may also expand the agenda of contested issues – at worst jeopardize the agreement - and/or be irrelevant.

206. The likely effectiveness of provisions included is a second major concern. It is well established that reforms introduced from the outside are more effective if supported by national parties. This applies to post-conflict situations as well. Peace agreements may authorize instruments for economic governance, but they are likely to have little or no impact unless there is a domestic consensus or political will to support their effective application. The consideration applies in particular to agreements designed for transitional governments with limited legitimacy and a short time horizon (as in Liberia). Even stringent and specific obligations enumerated in a peace agreement with the help of international financial institutions and the UN is not a sufficient condition for implementation (as in Guatemala).

207. Effectiveness is an elastic concept, however. Including provisions in a peace agreement may serve as an entry point for later aid interventions (as in Liberia) or provide a norm-setting function in the domestic debate (as in Guatemala). The singular status of a peace agreement can confer greater legitimacy on its hooks and entry points than they otherwise would have.

208. Peace agreements are only one among several instruments for post-conflict statebuilding and reconstruction activities. In some cases there are openings for including such provisions in the peace agreement. In other cases there are better openings in the aftermath (as in Afghanistan), or prior reforms may facilitate a peace settlement (as in Mozambique). The feasibility of including provisions for post-war governance and

¹⁴² Renata Dwan and Laura Bailey, 2006, *Liberia's Governance and Economic Management Assistance Programme* (GEMAP), DPKO Best Practices / World Bank Fragile States Group, p. 23.

economic reform programs depends heavily on the relevance of these issues to the causes of the conflict and the precondition for peace. The more direct the relevance, the more feasible inclusion appears (as in Guatemala and Liberia).

209. International development actors can potentially make significant contributions to peace negotiations provided their concerns are seen as germane to the issue at hand, and the agencies can offer case-specific capacity (as in the case of Guatemala and Afghanistan). Principal IDA contributions are in the areas of agenda setting, technical assistance to the negotiating parties, and improved coordination between the agenda of the peace talks and the requirements of post-conflict assistance programs. Agencies can also contribute by consistently supporting the implementation of agreements they have helped to shape by applying a form of “peace conditionality”.

ANNEX A: PEACE AGREEMENTS: EXCERPTS FROM UNDPA PEACEMAKING DATABANK

The following text is an excerpt from the DPA Peacemaking Databank project.

Types of Agreements

There are various types of agreements that can be reached during a peace process. Each type of Agreement has a distinct purpose and serves a value in itself towards building positive momentum for a final settlement. These agreements, however, are not easily distinguished as the content may sometimes overlap. Not all types of agreements are needed for each conflict. Some processes may have step by step agreements that lead towards a comprehensive settlement. Other peace processes may seek to negotiate one agreement comprehensively.

While categorizing each document that is negotiated during a peace process is often difficult, the following are common classifications used by the United Nations to differentiate the various types of peace agreements:

Cessation of Hostilities or Ceasefire Agreements

A Ceasefire Agreement refers to a temporary stoppage of war or any armed conflict for an agreed time-frame or within a limited area. Each party agrees with the other to suspend aggressive actions, without necessarily making concessions of any kind. These agreements are military in nature and are basically designed to stop warring parties from continuing military actions while political negotiations are conducted to find a more durable solution. By themselves, ceasefire agreements are typically short-lived and fragile.

Pre-Negotiation Agreements

Pre-negotiation agreements define how the peace will be negotiated. These agreements determine procedural issues such as schedules, agendas, participants and location, as well as the peacemaker's role and the procedure for drafting the agreement. The management of a peace process often determines if an agreement will be reached. Pre-negotiation agreements serve to structure negotiations and keep them on track. They facilitate the management of a peace process in order to reach its goal of ending the conflict. Pre-negotiation agreements usually signal the first achievement of success in a peace process and thereby serve to build confidence and promote trust between the parties.

Interim or Preliminary Agreements

Interim or Preliminary agreements are undertaken as an initial step toward conducting future negotiations. It is usually seen as an "agreement to agree" or a commitment to reaching a negotiated settlement and builds confidence between the parties. Such agreements do not normally deal with either procedural or substantive issues but may have some characteristics of a pre-pre-negotiation agreement delineating when and how negotiations might be held. Interim Agreements serve to signal that the cease-fire will be respected. Interim agreements are also used to restart a stalled peace process. Interim/Preliminary Agreements are not stable and need to be followed with negotiations on procedural and substantive issues quickly to keep the new positive momentum of a peace process.

Comprehensive and Framework Agreements

Comprehensive Agreements and Framework Agreements are often used interchangeably. However, there is a slight difference between these two types of agreements:

Framework Agreements broadly agree on the principles and agenda upon which the substantive issues will be negotiated. Framework Agreements are usually accompanied by protracted negotiations that result in Annexes that contain the negotiated details on substantive issues or are a series of subsequent agreements that are sometimes collectively known as the Comprehensive Agreement;

Comprehensive Agreements address the substance of the underlying issues of a dispute. Their conclusion is often marked by a handshake, signifying that an historic moment has ended a long-standing conflict. Comprehensive Agreements seek to find the common ground between the interests and needs of the parties to the conflict and resolve the substantive issues in dispute.

Implementation Agreements

Implementation Agreements elaborate on the details of a Comprehensive or Framework Agreement. An Implementation Agreement almost always requires a new round of negotiations with the relevant parties. In these negotiations, comprehensive/framework agreements are fine-tuned and given specificity. The goal of Implementation Agreements is to work out the details/mechanics to facilitate implementation of the Comprehensive Agreement. Implementation Agreements are not always formally written documents. Sometimes they are verbal commitments, exchange of letters, and joint public statements that help move implementation forward. Owing to this fact, it is usually very difficult to keep track of Implementation Agreements. Often the informal nature of these agreements makes it more difficult to hold the parties to their commitments. While formally written Implementation Agreements often take a longer time to achieve, there is usually a perception that the parties are committed, serious and obligated to implement the agreement.

ANNEX B: COUNTRIES AND DOCUMENTS COVERED IN THE STUDY IN CHRONOLOGICAL ORDER

Country	Documents	Year of last document
GROUP 1:		
Cambodia	<p>Agreement on a comprehensive political settlement of the Cambodia conflict , dated 23 October 1991</p> <p>Agreement concerning the sovereignty, independence, territorial integrity and inviolability, neutrality and national unity of Cambodia, dated 23 October 1991</p> <p>Declaration on the rehabilitation and reconstruction of Cambodia, dated 23 October 2003</p>	1991
El Salvador	<p>Peace Agreement (Chapultepec Agreement), dated 16 January 1992</p> <p>New York Agreement, dated 25 September 1991</p> <p>Mexico Agreements, dated 27 April 1991</p> <p>Agreement on human rights, dated 26 July 1990</p> <p>Geneva Agreement, dated 4 April 1990</p>	1992
Mozambique	<p>General Peace Agreement for Mozambique, dated 4 October 1992</p> <p>The Joint Declaration signed in Rome on 7 August 1992.</p> <p>The Declaration of the Government of the Republic of Mozambique and RENAMO on guiding principles for humanitarian assistance, signed in Rome on 16 July 1992</p> <p>The Agreement of 1 December 1990</p> <p>The Joint Communiqué of 10 July 1990</p>	1992
Rwanda	<p>Peace Agreement between the Government of the Republic of Rwanda and the Rwandese Patriotic Front, dated 4 August 1993</p> <p>Protocol of Agreement between the Government of the Republic</p>	1993

of Rwanda and the Rwandese Patriotic Front on the Integration of the Armed Forces of the Two Parties , dated 3 August 1993

Protocol of Agreement between the Government of the Republic of Rwanda and the Rwandese Patriotic Front on Miscellaneous Issues and Final Provisions, dated 3 August 1993

Protocol of Agreement between the Government of the Republic of Rwanda and the Rwandese Patriotic Front on the Repatriation of Rwandese Refugees and the Resettlement of Displaced Persons, dated 9 June 1993

Protocol of Agreement on Power-Sharing within the Framework of a Broad-Based Transitional Government between the Government of the Republic of Rwanda and the Rwandese Patriotic Front, dated 9 January 1993

Protocol of Agreement between the he Government of the Republic of Rwanda and the Rwandese Patriotic Front on the Rule of Law, dated 18 August 1992

Georgia	Quadripartite agreement on voluntary return of refugees and displaced, dated 14 May 1994	1994
	Agreement on a Cease-Fire and Separation of Forces, dated 11 May 1994	
	Proposal for the Establishment of a Coordinating Commission, dated 4 April 1994	
	Declaration on measures for a political settlement of the Georgian/Abkhaz conflict, dated 4 April 1994	
Croatia	Erdut Agreement, dated 12 November 1995	1995
Bosnia Herzegovina	The General Framework Agreement for Peace in Bosnia and Herzegovina (Dayton Agreement), dated 14 December 1995	1995
Guatemala	Agreement on the Basis for the Legal Integration of URNG, dated 12 December 1996	1996
	Agreement on Constitutional Reforms and Electoral Regime, dated 7 December 1996	
	Agreement on the Definitive Ceasefire, dated 4 December 1996	

Agreement on the Strengthening of Civilian Power and on the Role of the Armed Forces in a Democratic Society , dated 19 September 1996

Agreement on Socio-economic Aspects of and Agrarian Situation, dated 6 May 1996

Agreement on Identity and Rights of Indigenous Peoples, dated 31 March 1995

Agreement on the Establishment of the Commission to clarify past human rights violations and acts of violence that have caused Guatemalan population to suffer, dated 23 June 1994

Agreement on Resettlement of the Population Groups Uprooted by the Armed Conflict , dated 10 June 1994

Comprehensive Agreement on Human Rights, dated 29 March 1994

Tajikistan

General Agreement on the Establishment of Peace and National Accord in Tajikistan, dated 27 June 1997

1997

Protocol on the Guarantees of Implementation of the General Agreement on the Establishment of Peace and National Accord in Tajikistan, dated 28 May 1997

Protocol on Political Questions, dated 18 May 1997

Protocol on Military Issues, dated 8 March 1997

Statute of the Commission on National Reconciliation, dated 21 February 1997

Additional Protocol to the Protocol on the Main Functions and Powers of the Commission on National Reconciliation, dated 21 February 1997

Protocol on Refugee Issues, dated 13 January 1997

Protocol on the Main Functions and Powers of the Commission on National Reconciliation, dated 23 December 1996

Agreement between the President of the Republic of Tajikistan, E. S. Rakhmonov, and the Leader of the United Tajik Opposition, S. A. Nuri, on the results of the meeting held in Moscow on 23 Dec 1996

Protocol on the Fundamental Principles of Establishing Peace and

National Accord in Tajikistan, dated 17 August 1995

Guinea-Bissau	Agreement between the government of Guinea-Bissau and the self-proclaimed military junta, dated 1 November 1998	1998
---------------	---	------

GROUP 2:

Sierra Leone	Peace Agreement Between the Government of Sierra Leone and the Revolutionary United Front of Sierra Leone (Lome Agreement), dated 7 July 1999	1999
--------------	---	------

Kosovo	United Nations Security Council Resolution 1244, dated 10 June 1999 Military Technical Agreement, dated 9 June 1999	1999
--------	--	------

East Timor	United Nations Security Council Resolution 1272, dated 25 October 1999 Agreement between the Republic of Indonesia and the Portuguese Republic on the Question of East Timor, dated 5 May 1999	1999
------------	---	------

Republic of Congo	Accord de Cessez-Le Feu et de Cessation de Hostilites entre Le Haut Commandemet des Forces D'Autodefense de la Resistance En Republique du Congo Brazzeville, dated 14 February 2000	2000
-------------------	--	------

Macedonia	Framework Agreement (Ohrid Agreement), dated 13 August 2001	2001
-----------	---	------

Papua New Guinea (Bougainville)	Bougainville Peace Agreement, dated 30 August 2001	2001
---------------------------------	--	------

Afghanistan	Agreement on Provisional Arrangements in Afghanistan Pending the Re-establishment of Permanent Government Institutions (Bonn Agreement) , dated 5 December 2001	2001
-------------	---	------

Angola	<p>Memorandum of Understanding: Addendum to the Lusaka Protocol for the Cessation of Hostilities and the Implementation of the Outstanding Military Issues Under the Lusaka Protocol (Luena Accords), dated 4 April 2002</p> <p>Lusaka Protocol, dated 15 November 1994</p>	2002
Liberia	<p>Comprehensive Peace Agreement Between the Government of Liberia and the Liberians United for Reconciliation and Democracy (LURD) and the Movement for Democracy in Liberia (MODEL) and Political Parties, dated 18 August 2003</p> <p>Agreement on Ceasefire and Cessation of Hostilities Between the Government of the Republic of Liberia and Liberians United for Reconciliation and Democracy and the Movement for Democracy in Liberia , dated 17 June 2003</p>	2003
Democratic Republic of Congo	<p>Inter-Congolese Political Negotiations (the Final Act), dated 2 April 2003</p> <p>The Global and All-Inclusive Agreement (Pretoria Agreement) , dated 16 December 2002</p>	2003
Somalia	<p>The Transitional Federal Charter of the Somali Republic, dated February 2004</p>	2004
Haiti	<p>United Nations Security Council Resolution 1542, dated 30 April 2004</p> <p>Consensus de Transition Politique, dated 4 April 2004</p>	2004
Cote d'Ivoire	<p>The Accra III Agreement, dated 30 July 2004</p> <p>The Accra II Agreement, dated 7 March 2003</p> <p>Linas-Marcoussis Agreement, dated 23 January 2003</p>	2004
Burundi	<p>Accord de Partage de Pouvoir au Burundi, dated 6 August 2004</p> <p>Protocol of Agreement between the he Government of the Republic of Rwanda and the Rwandese Patriotic Front on the Rule of Law, dated 18 August 1992</p> <p>The Pretoria Protocol on Political, Defence and Security Power Sharing in Burundi (Pretoria I Protocol), dated 8 October 2003</p>	2004

Arusha Peace and Reconciliation Agreement for Burundi, dated 28 August 2000

Sudan	Agreement Between the Government of the Sudan (GOS) and the Sudan People's Liberation Movement/Sudan People's Liberation Army (SPLM/SPLA) on Implementation Modalities of the Protocols and Agreements, dated 31 December 2004.	2004
	Protocol between the Government of the Sudan (GOS) and the Sudan People's Liberation Movement (SPLM) on Power Sharing, dated 26 May 2004.	
	Framework Agreement on Wealth Sharing Between the Government of the Sudan (GOS) and the Sudan People's Liberation Movement/Sudan People's Liberation Army (SPLM/A), dated 7 January 2004.	
	Protocol Between the Government of Sudan and the Sudan People's Liberation Movement on the Resolution of the Conflict in Abyei Area, dated 26 May 2004 (not very relevant for the study).	
	Protocol Between the Government of Sudan and the Sudan People's Liberation Movement on the Resolution of Conflict In Southern Kordofan/Nuba Mountains and Blue Nile States, dated 26 May 2004.	
	Machakos Protocol, dated 20 July 2002.	
Indonesia (Aceh)	Memorandum of Understanding between the Government of the Republic of Indonesia and the Free Aceh Movement, dated 15 August 2005	2005
Darfur	Darfur Peace Agreement, dated 5 May 2006	2006

ANNEX C: MATRIX CATEGORIES

SECURITY

- Building/reconstruction of the armed forces, the police and security apparatus (including training, recruitment and size restructuring)
- Civilian oversight mechanisms over the armed forces and security apparatus
- Disarmament and demobilisation programmes

PUBLIC ADMINISTRATION AND GOVERNANCE

- Civil service reforms (codes of conduct, reviews of system of advancement, pay, pensions and recruitment, capacity building of civil servants)
- Functional reorganization of public administration
- Fiscal management (public accounting and budgeting procedures)
- Aid coordination mechanism
- Capacity building for responding to humanitarian emergencies
- Anticorruption strategies and supporting legislation
- Privatization and public procurement procedures
- Strengthening national integrity institutions (audit organizations, legislative oversight, independent prosecution and enforcement)
- Reform or establishment of revenue collection mechanisms
- Property rights and contract laws

JUSTICE

- Judicial reform (court reform, reform of judicial administration, judicial capacity building, strengthening legal access and supporting legislation)
- Prison reform, penal codes reviews
- Human rights provisions and implementation strategies (commissions, monitoring and enforcement mechanisms, and human rights education.)
- Women's rights provisions and implementation strategies
- Minority rights provisions and implementation strategies

ECONOMIC REFORM AND RECOVERY

- Macro economic framework (monetary policies, debt policies, fiscal policies)
- Productive sectors (industrial policies, agricultural policies, natural resource management)
- Financial, business, investment and labour regulatory frameworks (including foreign investment policies and regimes)
- Trade policies
- Social security/welfare provisions
- Land reform/redistribution
- Regional wealth allocations
- Employment policies
- Reconstruction of physical infrastructure
- Development of human capital: Education
- Development of human capital: Health

POLITICAL REPRESENTATION AND ACCOUNTABILITY

- Constitutional design/review process

- Elections (provisions for elections, electoral reforms, commissions, framework for political parties)
- Institutional powersharing mechanisms- executive, national assembly, civil service (quotas)
- Transitional government
- Decentralization (devolution)

POSTWAR INTEGRATION

- Resettlement, reintegration and reconstruction policies directed towards refugees and internally displaced people
- Programmes for civilian reintegration of former combatants
- Transitional justice mechanisms

ANNEX D: FREQUENCY AND SPECIFICITY OF PROVISIONS OVER TIME

Fig 4 Frequency over time, security state administration and justice

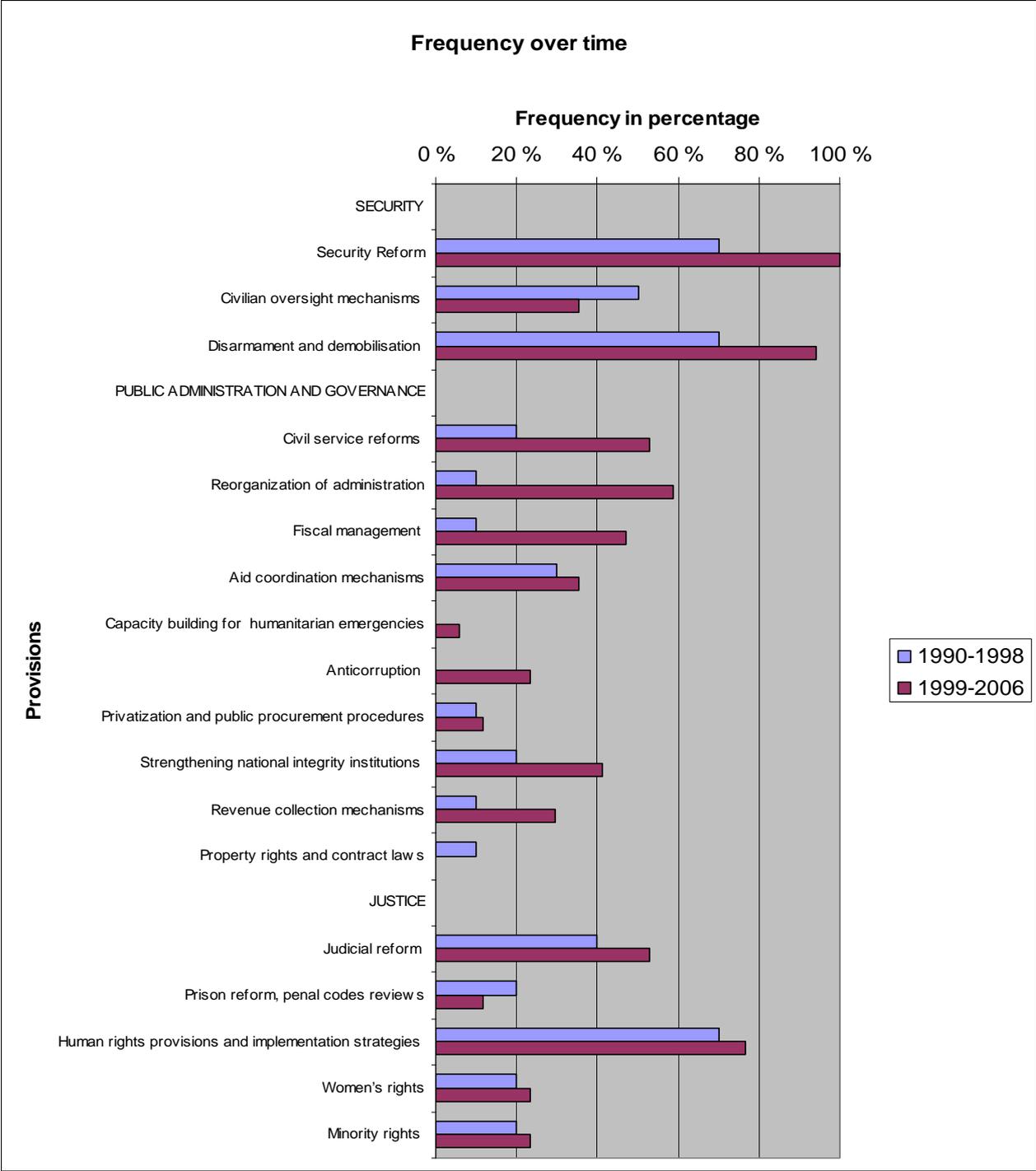


Fig 5 Frequency over time, economic recovery and reform, political representation and accountability, postwar integration

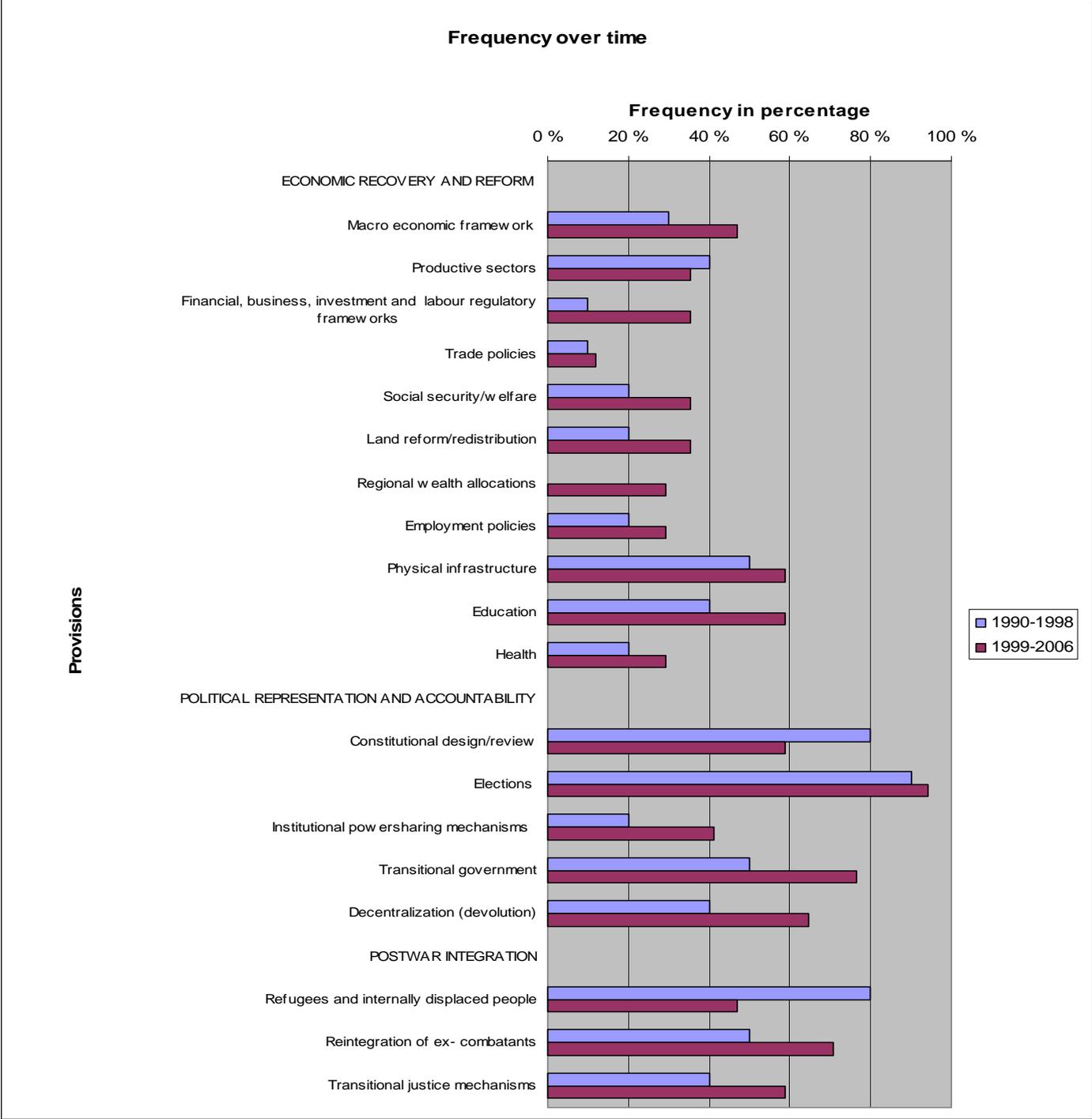


Fig 6: Average specificity over time, security, state administration and justice

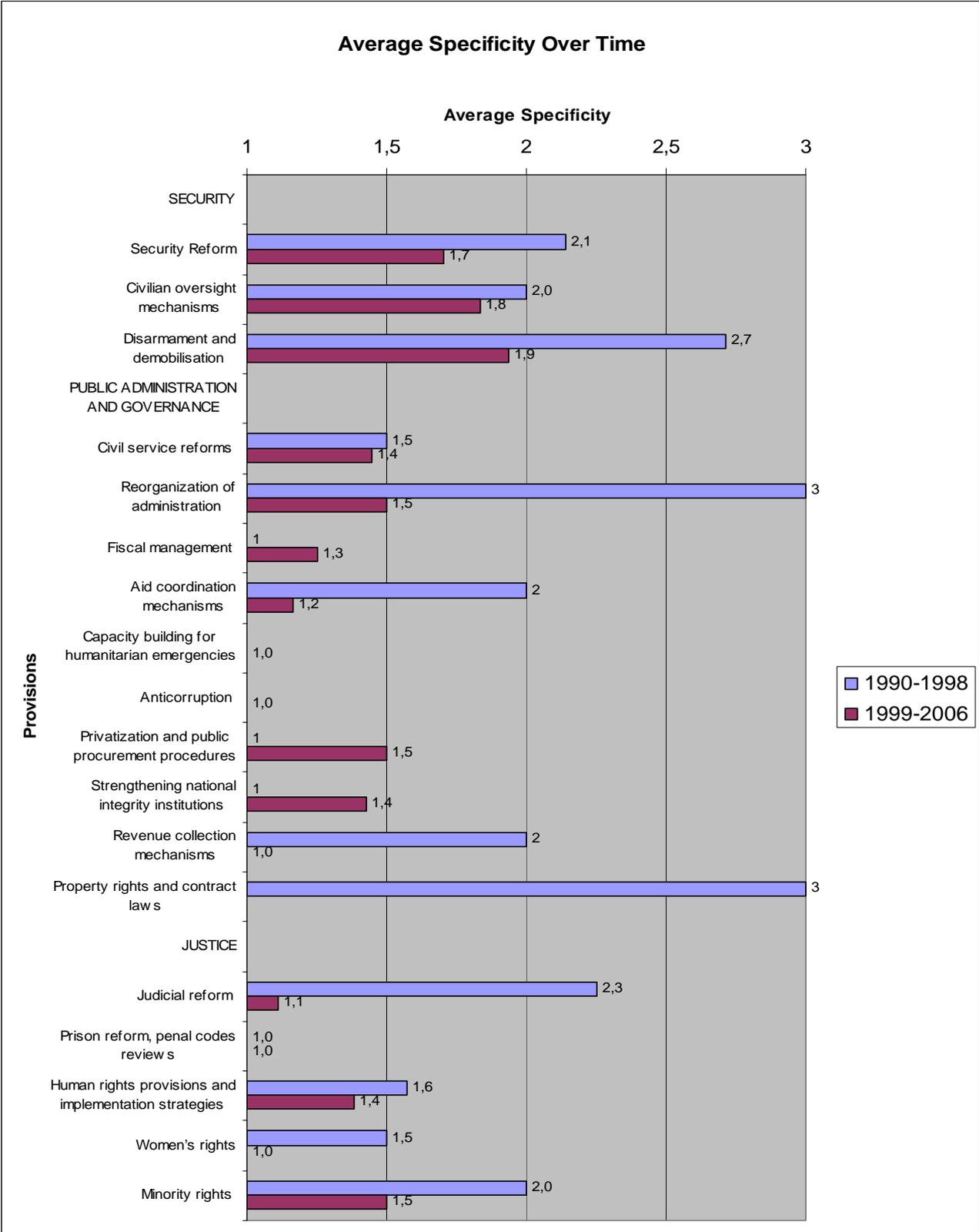
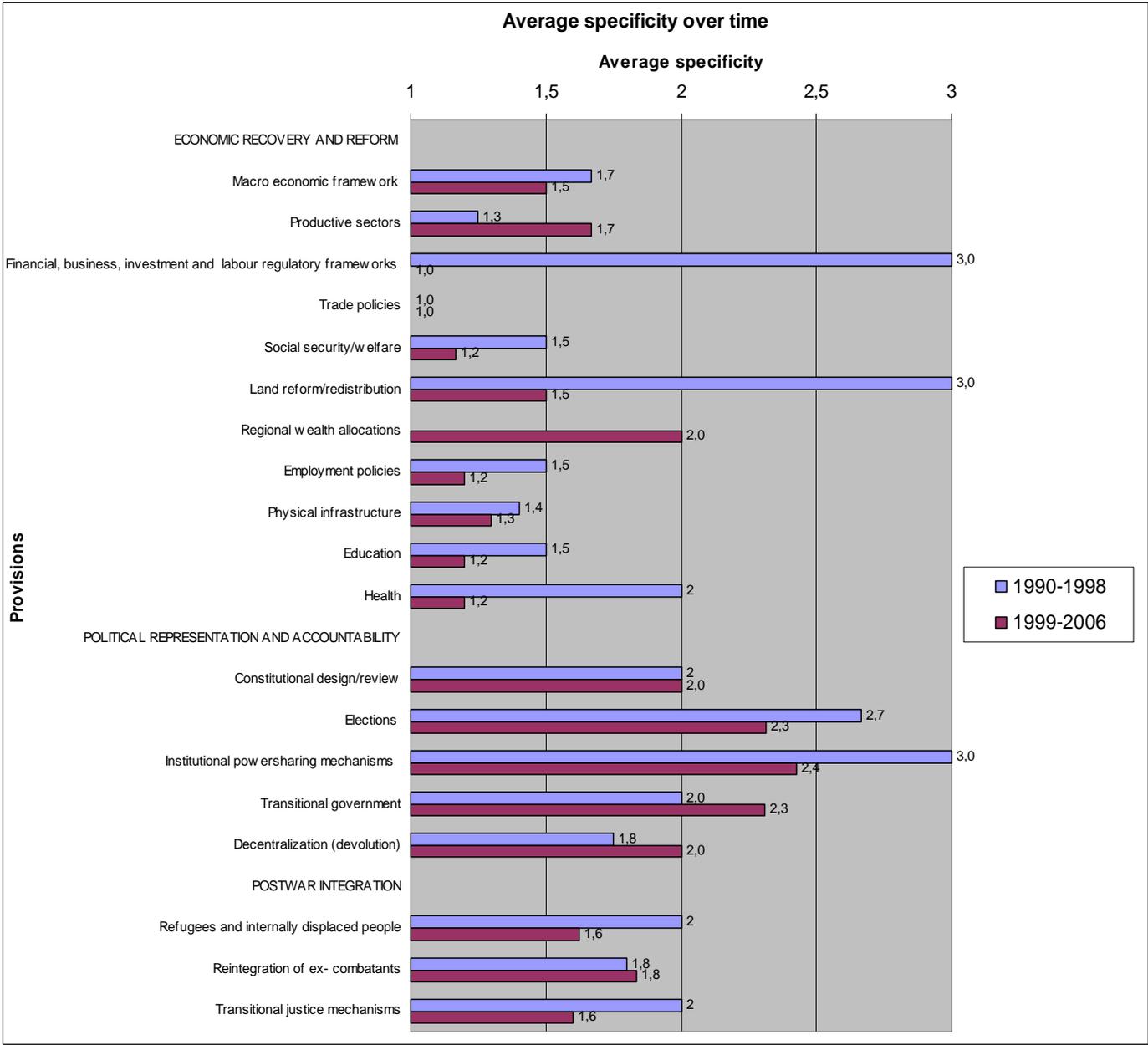
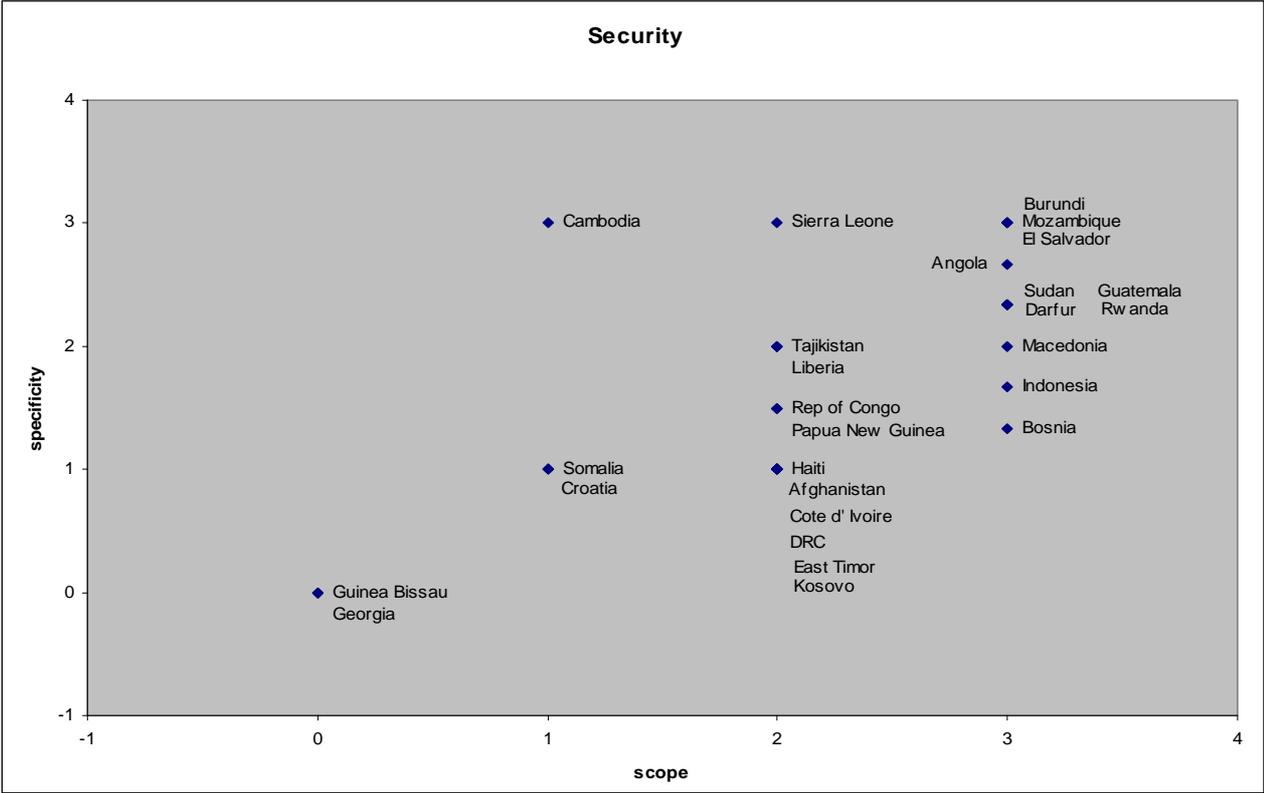


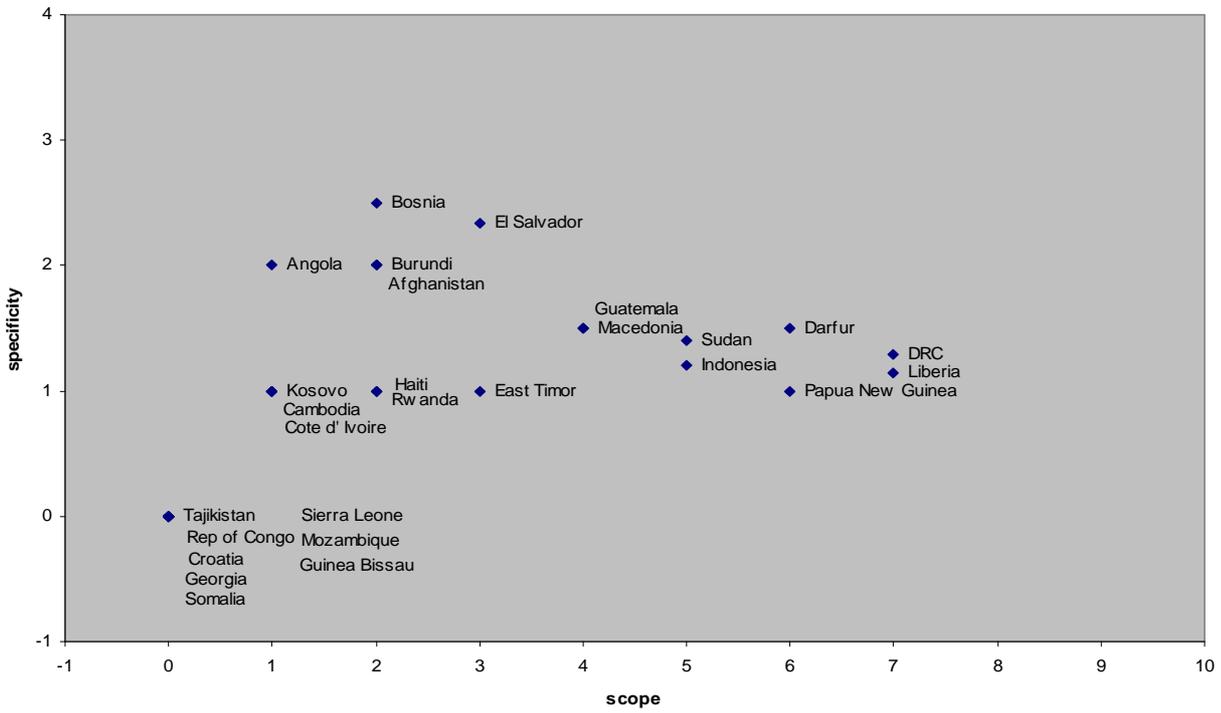
Fig 7: Average specificity over time, socioeconomic, political structures and postwar integrative measures



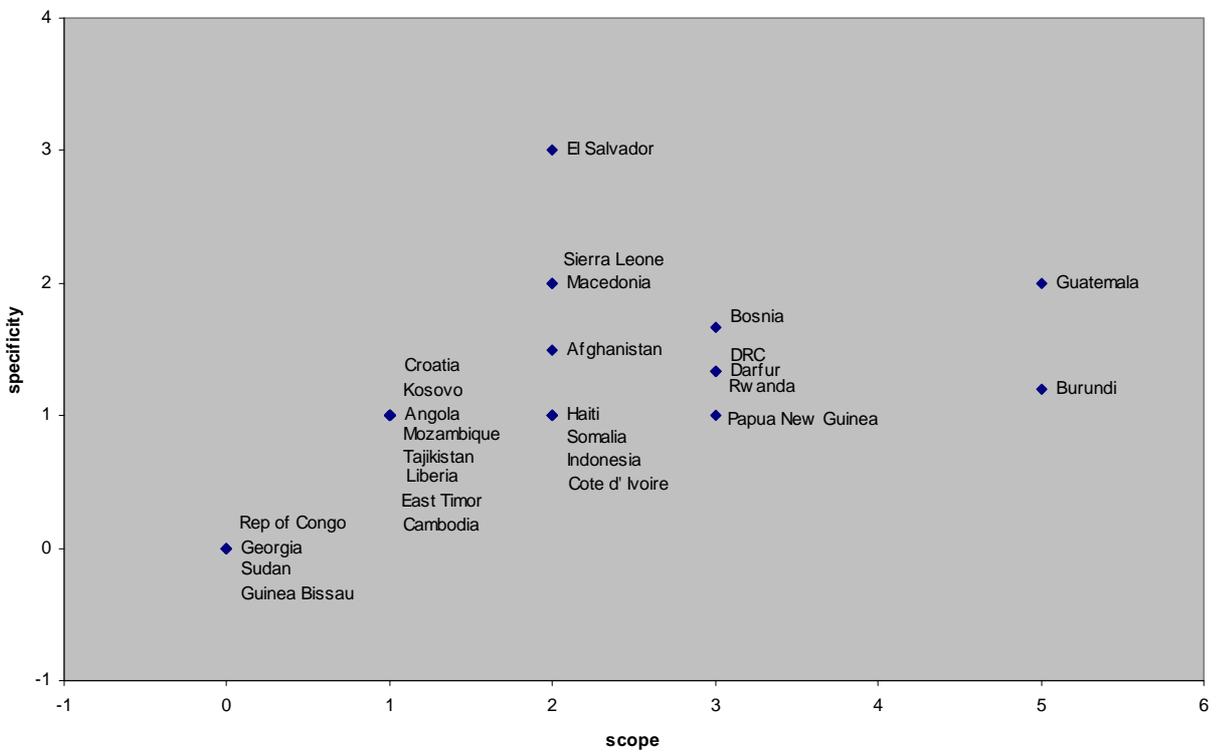
ANNEX E: SECTOR OVERVIEW OF CASES



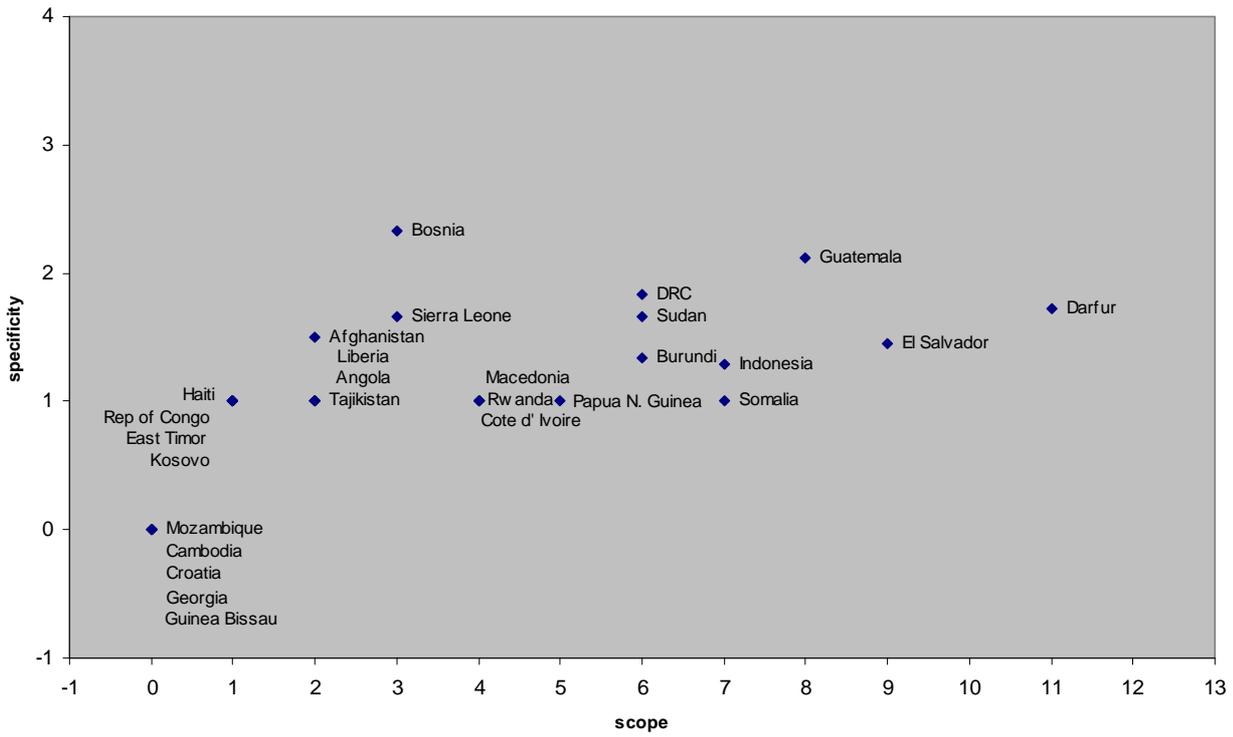
Public Administration and Governance



Justice



Economic Recovery and Reform



Political Representation and Accountability

