



THE ILO *within the* PEACE BUILDING COMMISSION

Briefing Note No. 9: ILO contribution to the Policy Paper on Employment Creation, Income Generation and Reintegration in Post-Conflict Settings

ILO/CRISIS, November 2007

Addressing the socio-economic challenges of peace-building settings

In one of his last decisions (n.2006/50 of 28 November 2006) as outgoing Secretary General, Kofi Annan instructed ILO and UNDP/BCPR to conduct a wide consultation process for drafting the “*UN Policy and Operational Guidance on Employment Creation, Income Generation and Reintegration in Post-Conflict Settings*”.

To that purpose an inter-agency Working Group was established. It includes UN-DESA, DPKO, UNICEF, UNHCR, the Special Representative of the Secretary-General for Children and Armed Conflict, and the ECOSOC regional commissions. The World Bank and IMF have also participated to the preparation of the paper.

The exercise is intended to address the gap in existing knowledge on employment generation and reintegration and implementation in the field. According to its terms of reference, the paper addresses the conceptualization gap in Employment creation, income

generation and reintegration in post-conflict settings, and serves as a joint UN instrument for shared policies, tools and good practices, specifically on how to link employment with reintegration.

The document sets out a common policy framework for scaling up and coordinating

employment creation and reintegration efforts by the UN, IFIs and the broader international community. It proposes a comprehensive set of policy initiatives, guiding principles and programming guidelines. Programs that target conflict affected individuals and groups, especially youth, receive particular attention. Guidance for implementing the policy, including delineating the roles and responsibilities of different UN bodies, will be provided in a complementary operational guidance note.

This paper offers an excellent opportunity to articulate the role of decent work and employment generation in consolidating peace and to develop the Decent Work concept in Post-conflict settings.

Post-conflict job creation is essential to peacebuilding: employment and self-employment help consolidate peace, reintegrate displaced persons and jump-start economic growth.

The ILO Task Force

On response to the SG decision an ILO office-wide Task Force has been established, chaired by the Employment Sector Executive Director, and facilitated by ILO/CRISIS. The purpose of the task force is to guide ILO contribution on the writing of the policy paper and operational guidance note. Key ILO's Technical Units participate in the task Force dealing with technical areas such as : Active Labour Market Policies, Small and Micro Enterprises, Cooperatives, Labour Market Analysis, Social Dialogue, Gender, Youth Employment, Trade Unions and Employers Organizations, Employability and Vocational Training,

Child Soldiers, Social Security, International Labour Standards and Labour Base Infrastructures Reconstruction.

ILO/CRISIS has led consultations in tandem with UNDP/BCPR and delivered a final draft of the UN Policy Paper which consolidates inputs from all relevant UN agencies and IFIs. Consultations were held periodically in New York and Geneva.

In August a group of field-based practitioners was consulted during a workshop hosted by the ILO Office in Cairo. They provided inputs and eventually endorsed the policy paper.

Next steps

Complete the endorsement process of the Policy Paper.

The Policy Paper is currently under screening within each agency for a final endorsement. The policy note will be subsequently submitted to UNDG and EC-ESA for review.

Drafting of the Operational Guidance Note. An analogous consultation process is already been carried out for the drafting and adoption of the Operational Guidance Note (OGN), based on the policy paper. preliminary outputs of this effort are already available. Core members of the task force will meet and discuss further development of the OGN in early 2008.

Roll out of the Policy Paper and Operational Guidance Note. Once the conceptual and preparatory work is completed, such guidance will be put into action in a number of focus countries, where the Peace Building Commission is going to roll out its policies.

Upgrade of ILO and UNDP capacity. UNDP and ILO are both requested by the Secretary-General to develop internal capacity to support implementation of the Decent Work Programme in post-conflict settings. Relevant measures will include the broadening and building of surge capacity and the establishment of rosters of experts.

Challenges and opportunities for employment creation in post-conflict settings

Challenges:

Overall difficulty of implementing employment promotion policies in post conflict settings

Young workers too often find themselves trapped in a cycle of violence, poverty, illiteracy and social exclusion.

Conflict segments and disrupts markets for goods, services and labour

UN emergency assistance often provides short-term employment, but efforts to sustain reintegration have been less effective

UN efforts to reintegrate and rebuild communities remain fragmented and system-wide planning and coordination is inadequate.

Effective employment policies must balance critical security concerns with longer term equity considerations regarding access to land and natural resource revenues

Opportunities: Peace negotiations and the end of conflict often create opportunities to implement political and labor market reforms that can improve the status of women and enfranchise previously excluded groups. Moreover, post-conflict relief and reconstruction activities can provide young workers with their first experience with organized work, facilitating their entry into the workforce. This is especially true for young women whose domestic obligations may have limited past work or school activity. Aid programs can rebuild vital infrastructure using labour-intensive and labour-friendly techniques. Rapid and productive employment of ex-combatants, displaced persons and returnees can leverage aid funds by using them to rebuild roads, schools and health clinics in areas most impacted by conflict. This infrastructure in turn is vital to restarting market activity including the movements of goods and services and resumption of education and training.

GUIDING PRINCIPLES

Guiding principle 1: Programmes should be coherent and comprehensive. Coordination amongst donors is needed to make interventions effective and to draw on the comparative advantages of each agency and stakeholder. Employment programs and planning for employment should be and integral part of Poverty Reduction Strategy Papers, national recovery plans as well as relevant donor programs.

Guiding principle 2: do no harm meaning UN, IFI and donor programs should avoid harmful spill-over effects on individuals, communities and labor markets. A surge in aid flows can, for example, lead to a sharp real exchange rate appreciation that may discourage investment in labour intensive exports and encourage imports of items available domestically. Competition for skilled staff or aid driven rise in wages caused can slow recovery of government services as well as private job growth.

Guiding principle 3: be conflict-sensitive. Employment and reintegration programmes should reflect the best available conflict analysis and needs assessment. Reinsertion, resettlement and reintegration programs must take regional, ethnic and religious tensions into account including careful adjudication of land and access rights.

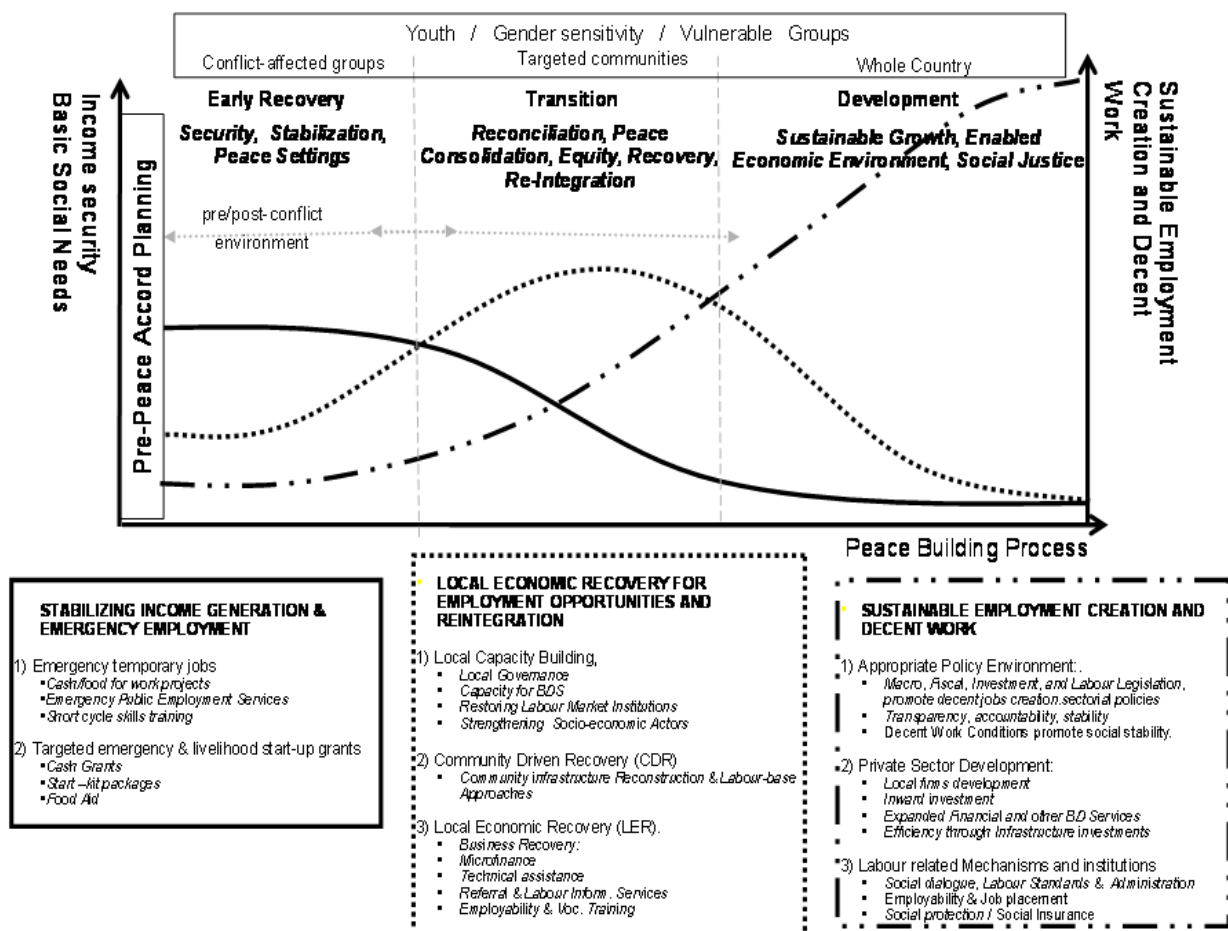
Guiding principle 4: design sustainable programs. Employment and reintegration opportunities should not end when UN agencies and donors exit. Local ownership along with community and government capacity-building are the keys to sustainable employment and reintegration. Even short-term programs should anticipate and complement programmes and policies supporting the creation of longer term sustainable employment.

Which programmes to implement the proposed policies

The policy paper categorises post-conflict socio-economic programmes into three baskets. They are closely linked and mutually reinforcing. Programmes in these three baskets start at the same time, immediately after the conflict ends, although the intensity of implementation may differ from one basket to the another. Basket 1 employment programs focus on stabilization and relief, basket 2 programs focus on reintegration at community level and basket 3 policies focus on long-term employment creation.

Pre-peace accord planning: Pilot job creation programmes can start in safe areas even before a formal peace accord. Assessments such as the PCNAs can gather relevant information on employment and other socio-economic needs. IDPs and returning refugees are a major target group for interventions at this stage. Profiling their skills and work experience can facilitate the design of employment and income generation schemes including guiding returnees to regions in which their skills are needed.

Elements for a UN-wide Policy on Socio-economic Dimensions of Post-Conflict



Basket 1: Stabilizing income generation and emergency employment programmes help consolidate security and stability by providing basic needs and by helping to quickly restore key public services. Programmes typically target specific conflict affected and high risk individuals, such as youth or ex-combatants. Emphasis is on short-term or temporary jobs that provide a quick peace dividend and inject cash into the market. But well designed stabilization and emergency programs can also help kick start economic and social recovery and restore livelihoods. Key programmes in this basket include:

- o **Emergency temporary jobs:** Cash for work projects, Emergency Public Employment Services (EPES) and Short cycle skills training.
- o **Targeted livelihood and self-employment start-up grants** aim at those most affected by the conflict. Cash grants help re-monetize and boost spending providing livelihoods indirectly in the trade sector for example

Basket 2: Local Economic Recovery for Employment and Reintegration programs involve working with communities in both urban and rural environments to create local wage and self-employment opportunities. This programmatic basket is the most critical for reintegration. In this basket, as the range of economic actors widens, capacity and institution building is a central objective.

As part of an area based development (ABD) approach these programs seek to reactivate the local economy by combining three types of interventions:

- o **Capacity building** at local governments, for business service providers, community based organizations and other associations should focus on building national and local capacities for basic service delivery and employment opportunities at local level as opposed to new organizations.
- o **Community Driven Recovery (CDR)** programs support the recovery and rebuilding of social and economic capital, such as community networks, education, health facilities, local physical infrastructure including roads, bridges, etc.
- o **Local Economic Recovery (LER)** programmes maximize inclusive employment opportunities by helping communities participate in building or rebuilding key infrastructure. Local participation can be facilitated by organized fora involving all local stakeholders. LER programs should start with small scale livelihood activities and then expand the scope of activities as resources and institutional capacities increase. LERs provide a window of opportunity to introduce creative and value adding income generating activities (high-value crop, agro-business, food processing, etc.).

Basket 3: Sustainable Long-term Employment Creation and Decent Work

A national enabling environment for employment and decent work is essential to sustain employment and reintegration progress achieved by the previous two programmatic baskets. Activities in this basket should also start immediately after conflict ends and intensify with increased stability and recovery. The ultimate goal is to promote sustainable long term development to support productive employment and decent work. UN agencies, IFIs and civil society groups should assist national and local governments in setting policy priorities and in developing new policies that balance growth with respect for fundamental rights and social security.

Key programmes are:

- o **Supporting policies for employment** in post-conflict situations implies giving high priority to macro-economic stabilization (to restore credit markets for example). Stabilization policies need to be complemented with active labour market policies and regulations. Sectoral approaches and policies to foster private sector employment growth may also be needed. A balanced rural and urban policy emphasis is needed as many conflict affected individuals are from rural areas, and much employment is generated in rural areas. This means decentralized as opposed to national public works may be more effective. Clear policies to broaden access to formal financial markets can encourage the movement of business into the formal sector. Suitable and up-to-date labour laws, supported by labour market institutions and programmes can help to reduce barriers to job creation and gradually promote decent work.
- o **Private sector development** requires a complementary set of interventions. Growth of the private sector can be supported by facilitating access to new local and export markets, by supporting the development of local suppliers (value chains), and by promoting access to finance, information, technology and training. Remunerative private sector jobs are needed to provide an alternative to illegal activities.
- o **“Tri-partite plus” dialogue** is necessary to develop and build support for the rules of the game for employment growth. Business, labor and government representative need to engage in continuous social dialogue with other civil society groups. UN agencies can support this forum.

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