UN/World Bank PCNA Review

In Support of Peacebuilding: Strengthening the Post Conflict Needs Assessment

January 2007

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EXECUTIVE SUMMARY

The United Nations and World Bank have undertaken a joint review of four years of experience with Post Conflict Needs Assessments (PCNAs) to identify lessons and improve future exercises. The main findings and recommendations of the Review, validated in the 30 November 2006 stakeholder workshop, are:

- PCNAs, and their resulting Transitional Results Matrices (TRMs), are conducted in inherently fragile settings with high risk of reversion to conflict. In future, resulting plans should more clearly articulate the *stabilization* measures that will address the risk of reversal into conflict and the *transformation* measures that will serve to re-establish the foundation for achieving MDGs.

- PCNAs typically take place in post-conflict countries governed by transitional authorities with two to three year mandates, prior to elections; PCNA/TRMs need more explicitly to address the challenges of ownership, sequencing, prioritization, accountability, and legitimacy that this dynamic entails.

- Appropriate balance must be struck between the *urgency* of producing an actionable plan to lend credibility to a fragile peace, and that plan's *comprehensiveness, inclusiveness*, and *national ownership*. Recognizing that each country setting is different, the aim should be to present an actionable plan in a process that is completed in 4 to 6 months. To the extent this timeframe is insufficient to achieve the degree of comprehensiveness, inclusion and ownership desired, deliberate measures should be built into the TRM implementation plan to redress the shortcomings.

- An explicit *pre-assessment/watching phase* should be introduced to include conflict/risk assessment, scenario planning, and analysis of state and non-state institutions and capacity, as a pre-cursor to the launch of a PCNA/TRM exercise when the time is right.

- A *conflict/risk analysis* should be an early step in planning future PCNA/TRM exercises, to serve as the common platform to establish the *peacebuilding storyline* for critical stabilization and transformation measures to be prioritized in the initial post-peace period.

- Critical *cross-cutting issues* should be identified in the pre-assessment and/or Concept Note stage to assure adequate resourcing from the outset, and can be integrated in the PCNA/TRM as both cross-cutting *and as sub-clusters* to assure relevant results carry into the TRM.

- *Building core state functions* should become a deliberate objective of the PCNA/TRM exercise, based inter alia on a more systematic use of capacity assessments of state and non-state institutions beginning in the pre-assessment phase, taking into account the dynamics of a transitional vs. elected government.

- PCNAs should outline from the outset *an approach to security stabilization and transformation measures*, taking into account sequencing/integration with other peace-keeping/security planning exercises, critical costing information, troop deployment and contingency planning implications for the achievement of prioritized results in the TRM.

- Future exercises should be structured to produce *comprehensive assessments at the cluster level* and *selective results at the TRM level*, wherein the prioritized results in the TRM should constitute the most critical actions around which international resources and efforts must align. Once these are fully funded and underway, other needs identified in the comprehensive cluster-level assessments can also be undertaken, capacity permitting.

- Future exercises will embed the TRM in an *implementation platform* to include a high level 'compact' between national and international partners, results and resources monitoring/tracking systems, and agreed governance structures (including for related financing mechanisms).

- The PCNA/TRM exercise and resulting implementation platform should include a *communication strategy* designed for national / local populations and an information platform for the international community to clarify objectives, report on progress, elicit feedback, and manage expectations.

- The UN and World Bank need to enhance *in-house capacity* to carry out PCNAs more efficiently and systematically, and to *strengthen partnerships* to better support our national partners' efforts to consolidate peace and accelerate recovery.

This Review will be followed by efforts to: 1) refine the practical guidance notes governing the PCNA and TRM; 2) launch a 2007 pilot of the watching/pre-assessment approach; and 3) strengthen internal UN and Bank policies and operational practices to assure better support to future exercises.

I.   Background and Context

An increasingly important element of the international community's engagement with a country emerging from conflict is a joint process to assess needs and identify priorities, used to anchor the mobilization of human and financial resources for recovery and reconstruction. Over the last decade, donors have attributed increasing importance to providing timely and substantive support to post-conflict recovery and peacebuilding, and in this context Post Conflict Needs Assessments have been used by national and international actors as an entry point for conceptualizing, negotiating and financing a shared strategy for recovery and development in fragile, post-conflict settings.

The United Nations (UN) and World Bank (Bank) in partnership have developed a particular joint approach to supporting Post Conflict Needs Assessments[1], referred to historically as PCNAs, as the foundation for national recovery plans and the basis for resource mobilization at international donor conferences. In this UN-Bank "vocabulary", the PCNA includes both the assessment and costing of needs and the prioritization of results in an accompanying Transitional Results Matrix (TRM). Between 2003 and 2006, joint UN/Bank PCNA exercises were conducted in Iraq, Liberia, Haiti and Sudan, and were underway in Somalia and Darfur. In December 2005, a series of PCNA Roundtables were held to begin to capture the key best practices and lessons learned from this body of experience; they proposed a joint program of work to improve the way that PCNAs are conducted and the prioritized needs identified in the TRM are implemented. The UN and Bank agreed to undertake a comprehensive review of recent experience with PCNAs to better understand their inputs and their outcomes, and to improve upon the existing tools and practices that the UN and Bank use; to this end, the global PCNA Review was launched in May 2006.

This review of joint UN-Bank PCNAs is not an exhaustive stocktaking of Post Conflict Needs Assessments; assessments have been, and will continue to be, undertaken in conflict-affected countries with methodologies and oversight structures that differ from the UN-Bank "PCNA" approach. Countries may not always require, or desire, the UN and World Bank to manage the assessment process, and each conflict or post-conflict setting requires a context-specific approach. To the extent that lessons emerging from the joint UN-Bank experience can also inform these "non-PCNA" assessments, the findings of this PCNA Review may ultimately have a broader reach.

II: Methodology

The aim of the PCNA review has been to consolidate lessons learned from the PCNA process and related tools (including TRMs), and to determine what steps should be taken to strengthen these tools and their application, in particular as tools for planning, implementation, and monitoring in the post-PCNA period. This information will form the basis for more structured plans, commitments and guidance surrounding the PCNA, as well as an opportunity to better institutionalize past lessons learned and improve on the preparations, conduct, and follow-up related to the PCNA.

The review was undertaken in two phases. Phase One (June to September 2006) consisted of a retrospective stocktaking and desk review of all PCNA documentation to date, with collection of supplementary information through phone and e-mail interviews, in order to complete five case studies on the PCNAs conducted in Iraq, Liberia, Haiti, Sudan and Somalia, as well as two comparison studies detailing the "non-PCNA" assessments conducted in Afghanistan and East Timor. Phase One culminated in an internal roundtable on 8 September, 2006, which finalized the strategic questions for Phase Two.

Phase Two (September to December 2006) utilized the information base compiled during Phase One to investigate emerging strategic themes through field visits, key informant interviews and consultations with a wide range of stakeholders (national, institutional, donor, NGOs). The Phase Two core review team was composed of representatives from the UN Development Group Office (co-lead), World Bank (co-lead), UNDP/Bureau for Crisis Prevention and Recovery (state-building), and three consultants in the areas of cross-cutting issues, peacebuilding and conflict sensitivity, and security.

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[1] The history and methodology of the UN-Bank PCNA is summarized in the **Practical Guide to Multilateral Needs Assessments in Post-Conflict Situations (2003).**

The purpose of this report is to summarize the strategic and policy issues and recommendations related to the PCNA process itself and the implementation, monitoring and financing of the TRM. These findings and recommendations were discussed at the PCNA Review Validation Workshop with PCNA stakeholders including national partners, NGOs, donors, UN and Bank on 30 November 2006 in New York[2]. The outputs of the workshop and final recommendations were then integrated into the revisions to this report and will also be fed into the revisions to the Practical Guidebook on PCNAs and the Operational Note on TRMs. The core operational and management issues, as well as the questions examined in both Phases of the Review, are identified in the PCNA Review TORs (attached in Annex I).

Major recommendations have been flagged throughout this report using the **R** *symbol.*

III: Results of Phase One

The five PCNAs and two comparison cases examined during Phase One confirmed that the methodology has served as an effective analytical platform for resource mobilization, but has been less successful as a focused actionable recovery plan[3]. The review of PCNA experiences also highlighted several strategic challenges, including: the need to clarify the core objectives of the PCNA; the lack of guidance on how to move from an assessment based PCNA to a coherent, actionable recovery plan prioritized around peacebuilding goals; the need to address the gaps that have been identified such as conflict sensitivity, the security sector and linkages to other planning processes; and the institutional and operational challenges of effectively organizing, financing, and staffing PCNAs.

Phase One found that clarity on expectations and objectives at the outset is essential to mediate institutional cultures and to ensure that those expectations are publicly articulated before, during and after the PCNA. With respect to cross-cutting issues, there appeared to be little consensus on the optimum way forward to ensure that clusters sufficiently consider these issues where appropriate. In addition, while physical security and access were always a constraint in PCNA activities, the review found a significant gap in PCNA coverage and priorities where the security sector is concerned.

The case studies consistently found that the dramatic needs in post-conflict settings generate pressure towards a comprehensive rather than a strategic approach. As a result, needs overwhelm capacity, the results matrix becomes over-ambitious and expectations become unrealistic. It was also apparent that a more explicit discussion of the various "definitions" of ownership was needed at the outset of each PCNA, linked to the need to set attainable objectives that contribute to peacebuilding. At the institutional level, Phase One highlighted several challenges, including the need to maintain a sustained presence and improve continuity in staff between the PCNA and post-PCNA phases to the extent possible.

IV: Strategic Themes and Questions

A. Definitions

Consistent with the discussions at the 2005 Roundtables, this PCNA Review is based on a clear shared understanding of specific terms that are key elements of post conflict needs assessments:

PCNA refers to all Post Conflict Needs Assessment exercises that follow the joint UN/Bank methodology contained in the PCNA Practical Guide. Terms such as Joint Needs Assessment (JNA) and Joint Assessment Mission (JAM) are synonymous and were used in specific country settings.

TRM refers to results matrices that are produced in the context of a PCNA exercise and that follow the joint UN/Bank methodology contained in the TRM guidance note. TRMs are given specific names in each country setting (e.g., RFTF, ICF).

The term '**stabilization**' is used to cover those actions that *expressly and purposefully* aim to address conflict risk and minimize the chances of short-term reversion to violent conflict.

The term '**transformation**' is used to cover those actions that purposefully aim to create the longer term conditions conducive to re-establishing the foundations necessary to achieve the MDGs.

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[2] PCNA Review Validation Workshop Summary
[3] UN/WB PCNA Review: Phase One Summary Report

The language of '**needs**' is understood as the technical measurement of the gap between the existing situation and the desired state, whether a nationally-defined benchmark or an internationally-agreed marker (such as the achievement of an MDG). '**Risk'** is defined as the likelihood of relapse into violent conflict. What is 'needed' to thwart conflict recurrence is arrived at through an analysis of the conflict itself but also includes a stocktaking of the existing, if often untapped, **'capacities for peace'**.

'**Conflict sensitivity**' is the ability to understand a context where conflict happens as well as its interaction with an intervention that is being carried out. Interventions should, as a minimum, aim to avoid unintended adverse effects on the context ('do no harm') but may also aim, more proactively, to stabilize, to prevent, to manage and to transform conflict (i.e., to constructive, non-violent forms).

'**Peacebuilding**' is defined broadly as the ultimate *goal*, and *impact*, of all the political, military, humanitarian and developmental interventions targeted to conflict stabilization and conflict transformation, namely those aiming "to consolidate peaceful relations and strengthen viable political, socio-economic and cultural institutions capable of mediating conflict, and to strengthen other mechanisms that will either create or support the necessary conditions for sustained peace."[4] Peacebuilding is not an activity or set of activities, but rather a framework or goal that should impose *coherence* and purpose, especially in the early period, on the different sorts of post-conflict interventions. In the present report, the concept of peacebuilding is closely linked to that of '**strategic'** or **'peacebuilding storyline'**, which is taken to cover the country-specific vision for the recovery process in its two, partly overlapping, phases of conflict stabilization and conflict transformation.

A **cross-cutting issue** is one that dynamically interacts with all or a substantial number of sectors and, therefore, requires a multi-sectoral approach. The choice to treat an issue as "cross-cutting" as opposed to "sectoral" is considered tactical and should be assessed in each country setting. While a wide range of issues can be and have been treated as cross-cutting (e.g., capacity development, conflict analysis, gender, etc.), for the purposes of this exercise the main focus has been on gender, environment, human rights and HIV/AIDS. Capacity development and conflict analysis have been dealt with separately.

The term **state-building** describes a process of restoring (or building) the functionality of state institutions. There is no blueprint for state-building, however there is a shared understanding that a state-building approach is one that seeks a comprehensive view of transformation towards a stable and rule-based society, where state institutions are accountable and responsive to citizens. A key element of this is the identification and supporting of core state functions such as the provision of security, rule of law, basic services, infrastructure and macro-economic policy. Many of these functions go to the heart of political power and resource distribution in a society.

For PCNA purposes, **security** stabilization and transformation will be used as follows:
- Early security stabilization measures: deployment of UN and/or other forces, integration of formerly opposing forces, command and control restructuring, and vetting, train and equip programs of the police – critical steps for establishment of minimum conditions of security for PCNA activities.
- Dealing with the legacies of conflict: DDR, mines, child soldiers, reconciliation, arms management etc., not designed as stand-alone interventions but as part of a larger recovery framework.
- Longer term security transformation (closer to SSR per OECD-DAC definition) including right-sizing, professionalism and accountability.

B.   Five Key Themes

The results of Phase One recognized that to achieve success in post-conflict assessment and planning exercises, a broad range of measures is needed to advance security, political and economic development, and peacebuilding. Such measures are often complementary to the implementation of the formal peace settlement and require not only the support and will of all national parties involved, including civil society, but also considerable human and financial resources.

Phase Two focused on the practical ways to improve the PCNA and related tools and increase understanding around the PCNA, enhance national and international stakeholders' capacities to undertake and implement a PCNA, and intensify the international community's coordination efforts so that national actors in transition countries are better supported. In doing so, Phase Two addressed the following five key themes that emerged from Phase One:

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[4] FEWER 2004: Forum on Early Warning and Early Response et al., Conflict sensitive Approaches to Development, Humanitarian Assistance and Peace Building. A Resource Pack, London, 2004, Intr., 4.

- **Strategic and programmatic aspects** of PCNAs, including: criteria for initiating; clarifying objectives, managing expectations; ensuring national participation and ownership; effective prioritization and sequencing; improving attention to cross-cutting issues; improving linkages to other planning processes; better management of information and communication strategies; and methods for improving the implementation, monitoring and funding of the TRM.

- **Peacebuilding and conflict sensitivity** as it relates to the PCNA, including: identifying peacebuilding storyline and objectives early in the process and having them endorsed at an adequate level of decision-making; steps and tools needed to better inform the PCNA teams on the conflict context; using a conflict-sensitive 'lens' in identifying priorities for the TRM.

- **Security sector issues** as they relate to the PCNA, including: the extent to which security sector stabilization and transformation issues could be included in PCNA priorities; and the need for improved linkages to peace-keeping mission planning.

- **State-building issues** as they relate to the PCNA, including: consideration of the PCNA's contribution to building effective capacity in core state functions; addressing national ownership and institutional capacity development.

- **Institutional and operational aspects** of PCNAs, including: coordination mechanisms; roles and responsibilities of the stakeholders and technical experts; staffing and financing.

Because of the importance of **cross-cutting issues** and the pervasive challenges with ensuring their full integration in and implementation post-PCNA, measures to address cross-cutting issues were singled out from the "strategic and programmatic aspects" for special attention.

V: Substantive Challenges and "Big Picture" Issues

The PCNA Guidelines (composed of *The Practical Guide for Multilateral Needs Assessments in Post-Conflict Situations* and *The Operational Note on Transitional Results Matrices*) were developed jointly by the UN Development Group (UNDG), UNDP and the World Bank and with support from GTZ, in August 2004 and January 2005. Since the Practical Guide was published, PCNAs have been completed in Haiti and Sudan and initiated in Somalia and Darfur. Following these recent evolutions of the PCNA and the December 2005 UN/Bank Roundtable, it became clear that there was a need for a review and revision of the available guidance to incorporate lessons and best practice to improve future PCNA exercises.

Some of the general gaps identified from the original guidance included the need for clearer articulation of criteria for starting a PCNA; making more explicit the balance between the technical and political elements of the exercise; building in monitoring mechanisms to adjust PCNA exercises as they are conducted on the basis of political developments; strengthening coordination and support mechanisms; linkages to funding mechanisms and aid coordination structures; definition, management and implementation of priorities; building better communication strategies to help manage expectations; improving linkages with other planning processes; training the PCNA team, and staffing and supporting these exercises from an institutional perspective; and tightening up the implementation measures for prioritized results emanating from the assessments. These "gaps" were among the many topics explored over the course of Phase Two, which will conclude with the revision of the PCNA guidance and tools.

A. Prevailing Context: Impact on PCNA Process

(i) Typologies for international engagement in PCNAs.

In reviewing the previous experience with PCNAs, substantial interest was generated in developing a typology by examining a range of factors that affect the PCNA/TRM exercise and experience. The factors identified and explored during the Review included:

- Core nature of the conflict – driven by control over resources, nature of the state, territorial borders, ethnic or religious divisions
- Extent of international disengagement as a result of the conflict, and hence the relative importance of a needs assessment to facilitate re-engagement
- Type of 'peace' – victor's peace (Timor), negotiated ceasefire (Liberia), muddy-waters peacemaking (Somalia)
- Timing vis-à-vis peace agreement – launched during negotiations or after signing

- Timing of PCNA launch vis-à-vis peacekeeping mission; UN PKO vs. other peacekeeping operation deployment
- Extent of consultation with national stakeholders/degree of ownership among parties
- Extent of physical security and access available, and trend of same (predictably up, predictably down, or unpredictable)
- Degree of overlap of PCNA clusters/themes/pillars with key substantive themes or elements of peace agreement
- Degree of state capacity, in several dimensions: technical and administrative capacity, infrastructure and "hardware", prospects of own revenues (oil-rich Sudan vs. cash-poor Haiti)

While consideration of these dimensions did not yield decisive findings with regards to the content or conduct of the PCNA, this type of analysis can provide important value by acting as a set of indicative parameters for engagement that can help inform the policy decisions to be made.

In an effort to better understand the linkages between the range of topics or actions covered in the provisions in peace agreements and the PCNAs including the TRMs that follow them, a mapping exercise was undertaken to review the cluster structures of PCNA processes and the substantive actions included in the subsequent TRM, and to compare those with the provisions of that country's peace agreement.

- The mapping showed that there is no "standard" menu of provisions for peace agreements; individual peace agreements for the countries in this Review typically included fewer than 50% of the range of 37 possible provisions[5].
- PCNA processes, including the TRMs that were produced, **generally covered only about 50% of the provisions in that country's agreement**.
- In turn, they also covered a wide range of additional topics – for most PCNAs, **more than half** of the areas of focus including in the cluster team's work, and more than 60% of the actions included in the TRM, were **not** mentioned in the peace agreement. This most likely reflects the observed fact that not all critical post-conflict priorities are usually detailed in a peace agreement.

(ii) Criteria or triggers for initiating a PCNA.

The review found no consensus[6] on specific criteria that should underpin the decision to initiate a PCNA, evolving experience suggests the following possible "triggers":

- identifiable national counterparts (albeit transitional) and political space to engage conflict parties
- interest from international community in planning for the transition beyond humanitarian aid
- (when relevant) peace agreement signed, sometimes explicitly providing for a PCNA to be conducted (caveat is whether this is sufficient if open hostilities continue)
- peace agreement seen as imminent, PCNA initiated before it is final to demonstrate international community's confidence in success of negotiations
    - *pros*: national consensus building momentum built around PCNA and ability of international community to move very quickly as soon as peace agreement signed because PCNA already well underway and/or complete (ex. N/S Sudan);
    - *cons:* risk that if peace agreement particularly fragile or doesn't include 100% of warring factions PCNA process becomes 'tainted' by association, or irrelevant
- "safe enough" for some level of fieldwork or consultations, even if not exhaustive or across whole territory

PCNAs initiated after peace agreements have been shorter (3-4 month) exercises while those initiated in advance of peace agreements have tended to last far longer, with the attendant costs and political uncertainties. The primary objective of the PCNA exercise cited in both scenarios was the desire to have a ready action plan with funding available as early as possible to lend credibility to and build confidence in the peace process.

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[5] The "menu" of possible provisions is drawn from *Peace Processes and Statebuilding: Economic and Institutional Provisions of Peace Agreements,* CMI for the World Bank and UNDP, forthcoming.
[6] It should be noted that the UN Office of the High Commissioner for Human Rights (OHCHR) is of the view that in circumstances in which governments fail in their responsibility to protect their citizens from genocide, war crimes and crimes against humanity (e.g., Darfur), PCNAs should not proceed.

In order to mitigate the potential impact of political downturns, PCNA guidance could encourage more explicit focus on the phases of the PCNA process and post-PCNA implementation, and careful attention to the "decision junctures" to allow better alignment with the political context. Watching briefs, and scenario or contingency planning, are approaches to ensuring that considered decisions are taken not only to initiate PCNAs but to proceed advisedly, or not, if the political context shifts significantly. During early discussions leading to the Concept Note, parties could agree to a set of issues on political context to customize the 'check points' for possible redirection of PCNA exercise, for instance at these moments:

- after the Concept Note is agreed but before fieldwork is launched;
- after cluster assessments completed but before draft reports are distributed for comments;
- after consultations/political review of reports but before donors' conference scheduled.

(iii) *Objectives for the PCNA:*

Different actors have historically brought different objectives to their participation in the PCNA exercise; past PCNAs have had a range of explicit objectives as well as underlying motivations (seen in choices on how PCNAs are structured, prepared, staffed, and implemented):

Historical Objective	Rationale (explicit) or Hypothesis (implied)
Describe the post-conflict situation and define long view of medium-term reconstruction and development	A detailed and comprehensive view of the medium-term is needed as the context for short-term recovery
Leverage agreement on priority actions that support peacebuilding and stabilize fragile transition	Without agreed funded short-term actions the medium-term may not happen because conflict could well re-emerge
Embed/agree structure and process for implementation and monitoring regardless of financing modality	Agreed framework of priority actions, built on a widely-shared process and a mechanism for monitoring implementation, will lead to fewer deviations and more coordinated synergistic interventions
Mobilize resources	Get numbers based on current facts, donors feel better about pledging dollars against numbers validated by UN and Bank
Build links and bridges between and amongst nationals and internationals	Shared involvement in assessment process develops common diagnosis, vision, vocabulary; conflict parties find common ground; agencies and bilaterals with different agendas begin to see the whole, not just their part

A key finding is that while not all historical objectives were conflicting, the lack of clarity generated by multiple, different, and unshared objectives was a substantial barrier to greater effectiveness.

B.   Improving on Key Aspects: The Big Picture

Analysis of PCNA experience to date has led to the following six conclusions about the challenge of planning, mobilizing resources, and implementing priority actions in the fluid environment that characterizes conflict-affected countries:

1. PCNAs are employed in post-conflict settings that are inherently fragile, with a historically high risk of reversion to conflict within the first five years. Preventing that return to conflict requires the engagement of political, security, humanitarian, and development apparatus, and success is more likely if those actors combine efforts for *stabilization,* to render the prevailing environment less favorable for violent conflict, and then for *transformation,* reconstructing human and physical capital and mobilizing it to achieve nationalized MDGs. Within the timeframe of a PCNA, the central organizing principles of the transitional storyline are the *risk* of reversal into conflict and the *opportunities* that exist (albeit untapped) to overcome that risk.

2. Many PCNAs will occur in a political/operating environment characterized first by a national transitional authority (first 2 to 3 years) leading to the installation of an elected government. In these settings, deliberate attention is required to consider the implications of working with a transitional (as opposed to elected) authority: focus during the transitional years would be

primarily on ensuring national *ownership*, and early capacity building in core strategic functions; focus during elected government years would continue those efforts accompanied by expanded and deepened efforts in capacity development in both state and non-state institutions.

3. In the interests of sequencing and prioritization, the PCNA synthesis document is not a 'simple' or mechanistic consolidation of the clusters' sectoral assessments (which will be comprehensive), but rather should communicate the *strategic* identification of key objectives with the TRM capturing highly selective results that focus on critical *stabilization* and *transformation* results. The strategic framework within which the assessment takes place is agreed, and the alignment of priorities with such a framework is appraised, by the key national and international actors on the basis of a shared conflict and risk analysis, the results of which should be endorsed at the highest level of decision-making. This turns the agreed 'peacebuilding storyline' into an effective working platform for the cluster teams' work. Cluster assessments, costed as fully as possible, are then available in their entirety as the basis for more detailed sectoral programs to be articulated and funded over the medium-term.

4. The TRM cannot credibly foresee concrete, actionable priorities beyond a two-year window given the volatile and fragile post-conflict period. Therefore, grounding the PCNA in a scenario/contingency planning process allows actors to take account of possible changes in the political setting and their potential impact on the PCNA/TRM, particularly in settings where PCNAs are initiated without a formal peace agreement being signed. Once issued, the TRM should be subject to a structured in-country review and be up-dated accordingly. Eventually, the PCNA analytic platform will support the development of a nationally-driven medium-term plan such as an IPRSP, where the underlying PCNA analytics assembled by cluster teams are combined with other analytical and consultative work.

5. In order to serve as an actionable plan that facilitates the alignment of resources and programming, the TRM includes or is accompanied by elements that provide a platform for implementation once resources have been mobilized: a high-level articulation of accountability between national and international partners (a 'compact'), a public communication strategy, indicators linked to TRM actions that can be monitored, and a governance structure that will monitor the key indicators, facilitate and support policy dialogue, prioritization, and national aid coordination.

6. While coverage of security sector issues in PCNAs will vary based on country-specific political contexts and on the provisions of the peace agreements, greater attention must be paid to more comprehensive coverage in the assessment phase of security sector issues, including costing, even when actions eventually identified in the TRM may be limited in number. Explicit linkages with existing security expertise and planning processes must be made in the early preparation period and throughout the conduct and implementation of the PCNA/TRM.

1 **Going forward**, the proposed objective of a PCNA is to produce an actionable, prioritized and sequenced plan (the TRM) where "priority results" are those with a direct impact on stabilizing the peace (addressing conflict risk) and laying the groundwork for high priority recovery/reconstruction and transformation (what actions, when and in what order, by whom, with what resources). While it is understood that the TRM is not itself a programming framework, it should in future be sufficiently well articulated to act as a more reliable guide to translating TRM results into priority programming.

Going Forward: Objective	Rationale (explicit) or Hypothesis (implied)
Demonstrate confidence in new peace-time state and society	Immediate and visible action post-peace agreement or post-political settlement, to support critical recovery activities, signal confidence in the peace agreement, and lay foundation for state legitimacy vis-à-vis population – puts premium on fast and visible action, strong communication strategy to population

Going Forward: Objective	Rationale (explicit) or Hypothesis (implied)
Provide *comprehensive* picture of post-conflict needs and priorities, coupled with *strategic and selective* program of action for the first two years* of international support * exact timeframe linked to transition calendar, i.e. peace agreement, elections	PCNA is comprehensive (insofar as possible for 4-6 month exercise, with modules that can be deepened over time), and greater attention paid to desk-based preparatory work during the "watching phase" TRM is strategic/selective action plan derived from it, with priorities/sequencing explicit as basis for first two years of resource allocation and programming

The extent to which there is an explicit shared understanding of the objective of the PCNA has an impact on the expectations that each actor has for the PCNA's results. The PCNA is most frequently depicted as a technical exercise conducted in a highly political context, placing the onus on PCNA actors to deliberately consider the political consequences of their work while maintaining the technical, consensus-building approach for which the PCNA was designed. It is seen as a tool for facilitating dialogue and problem-solving around sensitive issues ranging from the implementation of peace agreement provisions to wealth-sharing, making it particularly sensitive to the 'nature of the peace,' the selection of 'key stakeholders' and dialogue partners, and how resources are allocated in demographic and geographic terms. Given its intrinsic value as a consensus-building tool, caution should be exercised in determining which sensitive issues can constructively be addressed, bearing in mind that when used well the PCNA can cautiously build bridges to help approach even divisive issues.

Past experience has also highlighted both the desirability and risks inherent in conducting broad stakeholder consultations. It is important to consider the spectrum of issues and choices in defining how a PCNA can be "nationally-owned," including issues of balance: balancing broad involvement with the risk of driving unrealistic expectations; balance across time to keep non-state actors involved in the various stages of the process; and balance at different levels, involving local and community-level actors. Beware of rewarding conflict (avoid only involving conflict parties, try to tap into capacities for peace) and hoarding power (reach out to excluded groups such as women, youth, ethnic minorities).

Measures to manage expectations:

a.   Expectations can be raised particularly through local assessment practices and intensive local dialogue processes, expectations that frequently go unmet in the initial TRM timeframe. In volatile settings this can chip away at peace-time confidence and at worst can actually exacerbate conflict. Deliberate and systematic communication strategies, both during the conduct of the exercise as well as after the TRM has been launched and the donor conference held, and including regular reports back to the population on results achieved, will keep expectations realistic.

2   **Build** into the Guidelines and TORs a series of explicit conversations in the early preparation phases with the national counterparts and with the key donor "sponsors" of the PCNA – where different actors' opinions/perspectives on objectives and trade-offs are aired and mediated – and where a discussion of expectations is then undertaken based on the "agreed" PCNA objective. Use the agreed objective(s) to frame some preliminary discussions of the need for selectivity that requires trade-offs and difficult choices. Document these discussions as a reference for the future.

3   **Define** and resource a communications function that goes beyond information dissemination but links to the very senior levels of PCNA (steering group and UN/WB leads) and <u>from the very beginning</u> provides frequent updates to a range of stakeholders during the PCNA and matrix process, including explicit examples of difficult trade-offs (and rationale for choices made) during prioritization and sequencing. Customize the message and delivery mechanism to the audience and purpose as well as to the moment – e.g. communication to clarify and carry beyond the press announcements about the billions of dollars pledged at the donors' conference. This might mean translating short summaries into local languages, de-constructing the matrix into manageable sub-sections and translate those, using radio at key junctures.

b.   NGO and civil society actors are frequently active partners during the assessment phase and develop high expectations of continued involvement once the assessment has been completed.

Typically, however, action shifts exclusively to the center once the donor conference is over, and an expectation gap arises with regard to participation in decision-making, resource and project prioritization, and implementation.

4 **Take** deliberate action to consider how key stakeholders consulted during the assessment phase will be engaged during implementation.

- Build 'expectations management'/reality check into all stakeholders consultations;
- Familiarize participants with the basics of the aid flow system so they understand what's feasible, what's not; and
- Assess absorptive and implementation capacity and calibrate the PCNA/TRM accordingly.

c.   TRMs have been over-ambitious in terms of what is achievable in a short period, and financial tracking and aid coordination mechanisms have fallen short of donor expectation with regard to results monitoring and financial tracking.

5 **Use** past experience as the guide to future expectations of what is possible in a fragile state setting; set up financing and implementation mechanisms with a deliberate recognition of these conditions in mind, spell out measures for international partner support for aid coordination and financial tracking systems when the TRM is launched, with required funding and technical support assured; and articulate a clear and agreed monitoring and evaluation plan.

Measures to achieve more effective prioritization and sequencing:

Explicitly re-engineer the PCNA-TRM process to generate a dynamic that moves from comprehensiveness in the assessment phase to selectivity in the definition of the results matrix, by building in mechanisms, clearly articulated criteria, and incentives for "real" prioritization and sequencing.

6 **Improve the PCNA process while not expanding it in scope** – change the "PCNA plumbing":

a. Un-pack key preparatory activities and de-link them from the time-bound decision to initiate a PCNA. Instead, link them to a "watching phase" that is well-agreed across the two lead international partners (UN/Bank) so that the following elements are to the extent possible taken out of the first 4-8 weeks of the PCNA and moved into a "pre-assessment":
- conflict and risk analysis
- assembly of overall data (development of annotated bibliography and data sources)
- analysis of state and non-state stakeholders, institutions, and capacity (to the extent possible)

The watching phase/pre-assessment will result in: 1) a basis for initiating scenario and contingency planning; 2) a basis for more in-depth assessment and planning for the post-conflict period, and for cross-integration with other planning processes (e.g., humanitarian, peace-keeping); 3) a common documentary and analytic platform for early recovery programming prior to finalization of the PCNA/TRM; and 4) a decision on whether and when to launch a PCNA exercise. Discussion on revised guidance will include more details on this watching phase and the activities undertaken as part of the pre-assessment.

b. When drafting the Concept Note, and prior to recruiting cluster leads and teams, convene the key national and international partners at an adequately senior decision-making level to endorse the results of both the conflict/risk analysis and the state/non-state pre-assessment, in order to agree on: (i) an outline to the peacebuilding storyline; (ii) an initial national stakeholder strategy for the PCNA exercise (see IX on early assessment of political will and accountability); (iii) an approach to state and non-state capacity development; (iv) derive from these key strategic directions for the stabilization period; and (v) transmit these to cluster teams as strategic guidance.

c. Build in phasing at the Concept Note stage (where "pre-assessment' is in fact the first phase, pre-dating and feeding into the Concept Note itself), making provisions for decisions that will govern which issues will be addressed during the PCNA itself, which can be addressed in the TRM as key results in the implementation phase, and which are important but best left to a later stage.

d. Limit the number of clusters (around 6 to 8), using careful crafting of which sub-areas are covered by each and how cross-cutting issues will be addressed; fewer clusters will make cross-cluster interactions less confusing, and logistics less cumbersome. When selecting the clusters and defining the scope of each, early consideration of the likely structure of emerging government (albeit transitional) and some notional linkages of clusters to the nascent government and civil society institutions, may provide greater possibilities for continuity and dialogue post-PCNA.

e. Clearly articulate in the Concept Note and the relevant TORs the rationale and methods for "distilling" from assessment to TRM, setting criteria/standards for the prioritization exercise. Some could be 'universal' and some country-specific, but this transition between assessment and matrix must be clearly articulated, understandable and well justified, and launched with a strong communications campaign.

f. Instruct cluster teams, and their leaders, that their goal is to produce an actionable, prioritized and sequenced plan where "priority results" are those with a direct impact on stabilizing the peace (addressing conflict risk) and laying the groundwork for high priority recovery/reconstruction and transformation – by definition, they are judged successful if they can demonstrate what they have "triaged out" as they move from assessment to TRM.

g. Provide a more concise PCNA Toolkit and include templates for PCNA staff TORs, joint budgets and resource mobilization documents, UN/WB PCNA Joint Programme to receive donor funding, stakeholder questionnaires, etc.

Measures to encourage national and international stakeholders to ensure the TRM is used as the agreed basis for coordination and program activities throughout the transition:

Despite all efforts to have a focused, prioritized TRM, it will not be effective unless used by all key actors as the instrument around which to align resources and action. In order to build advocacy and consensus around the tool, the following aspects should be considered in a consultative process with bilateral donors, with a view to strengthening the enabling dynamics and addressing the constraints:

Enabling	Constraining
wide involvement of range of national and international actors from outset of PCNA planning (even if not deep substantive involvement)	large bilateral donors not comfortable with multi-donor mechanisms
ability of national counterparts to carry key messages and take lead on discipline	Agencies or bilaterals who don't see "their" pre-determined programs or mandates in the TRM may opt out
careful construction of steering group –a mechanism for key donors who are politically and monetarily important, including non-traditional donors	political imperatives of inclusiveness vis-à-vis national transitional actors
broad and frequent (but not too confusingly detailed) communication	

7 **Seek** to involve key bilateral donors more broadly and more substantively in PCNA processes, not only as funders but also as members of coordination structures and as contributors of technical expertise in development, diplomatic, and security topics.

8 **Use** all critical milestones in the PCNA process (from Concept Note through to Implementation strategy) as opportunities to seek involvement and cement commitment from national and international partners.

9 **Better address** inclusion of financing mechanisms for the TRM (e.g., MDTFs), by providing UN and Bank support to discussions during the PCNA preparations with bilateral donors and national stakeholders; these discussions need to have reached consensus on approach and structure in time to be articulated in the Implementation Strategy (implementation platform).

Monitoring the implementation of the TRM:

Monitoring and implementation of the country-specific results matrices has been highly variable. In Iraq, the International Reconstruction Fund Facility for Iraq (IRFFI) with both UNDG and Bank trust fund windows and a shared oversight structure became the locus of monitoring, priority-setting, project approach, resource allocation, and reporting. In Liberia, the Results-Focused Transitional Framework (RFTF) matrix was developed and used as a tool for prioritizing needs and negotiating among national actors, and became the basis for all coordination and management activities during the transition period. UNDP and the World Bank jointly developed the RFTF Implementation and Monitoring Committee (RIMCO) as a mechanism to oversee implementation and monitoring of the RFTF and financial flows, as well as act as a forum for regular donor consultations. While innovative, RIMCO was a top-heavy structure that placed too much responsibility on a low-capacity transition government.

In Haiti, the key mechanisms for implementation and monitoring are the Sectoral Coordination Tables. These coordination mechanisms under government chairmanship were highly unequal in performance, with many key ones ill- or non-functioning during the life of the ICF. With the absence of a joint mechanism for managing funds, combined with the weakness of coordination and implementation structures, there has been little reliable tracking of resources, monitoring and reporting. In Sudan, the Sudan Consortium (SC) was established to bring together donors, UN agencies, the World Bank, and Governments of National Unity and Southern Sudan to discuss progress against agreed MDTF targets twice annually. It was envisaged that the SC would review the progress against the JAM targets, whereas the thematic groups in the North and the budget sector working groups in the South would be responsible for day to day oversight and follow-up[7].

In all, there is some evidence to suggest that those countries with MDTFs established following the PCNA have better monitoring and reporting mechanisms in place by virtue of the fund administration role taken on by the Bank and/or UN. However, these facilities tend to receive a minor proportion of overall aid flows to the country. More systematic measures must be put in place to assure proper monitoring, implementation and reporting including for resources that do not flow through MDTFs.

10 **Explicitly include** arrangements for financial aid flows tracking and for TRM monitoring and reporting in the implementation platform that should accompany the TRM.

VI.   Cross-Cutting Issues[8]

A.   Review of Current Guidance and Practice

In PCNAs, a cross-cutting issue is one which interacts dynamically with all or a substantial number of sectors important for post-conflict recovery and therefore requires a multi-sectoral approach. A number of issues arguably fit this definition, so treating one as a "cross-cutting issue" is a tactical choice. Historically, the first consequence of designating a topic as a cross-cutting issue has been that it is not be a (sub-) cluster of its own, and (following that) a number of PCNA clusters will be expected to integrate related priority interventions in their reports and TRMs. This section will concentrate on how to better manage the cross-cutting approach, with reference mainly to the issues of gender, human rights, environment and HIV/AIDS.

The PCNA *Practical Guide* has a small chapter (3.9) dedicated to the integration of cross-cutting issues, indicating that these issues affect all or a substantial number of sectors important for post-conflict recovery and should therefore be considered in every cluster/sector analysis, but no methodology to do so is provided. The 2004 *Operational Note on Transitional Result Matrices* mentions cross-cutting issues in a "key lessons" box recommending that a smaller committee should be established to ensure cross-cutting issues are considered and identify the "priorities of priorities" for the overall matrix.

Past experience with use of cross-cutting issues

The following chart depicts which issues have been addressed as cross-cutting in previous PCNAs:

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[7] Both the thematic groups and budget groups, however, have been slow to start and the SC has only been able to meet once in the 18 months since the Donors Conference.
[8] For the complete report on Cross-Cutting Issues, see Annex II.

Cross-Cutting Issues		Timor-Leste	Afghanistan	Iraq	Liberia	Haiti	Sudan	Somalia
Human Rights	*Standard*		X	X	X	X	X	X
Protection					X			*
Gender			X	X	X	X	X	X
Environment			X	X	X	***	X	****
Capacity Building and Institutional Development	*Common*							X
Crisis Prevention						X		
Conflict							X	
Peace building, reconciliation and conflict								X
HIV/AIDS	*Country-Specific*				X	X	X	**
Drug Control			X					
Private Sector Development			X					
Forestry					X			
Shelter and Urban Management					X			

<-> Human Rights and Gender as One cross-cutting issue in Somalia JNA
* Sub-cluster Protection of Vulnerable Groups in BSS Cluster Somalia JNA
** Dealt with as a sub-cluster (in Basic Social Services Cluster)
*** Dealt with as a sub-cluster with cross-cluster linkages
**** Integrated in Productive Sector and Environment Cluster

For each cross-cutting issue, specific UN agencies have typically been asked to take the responsibility to provide advice, experts and headquarters support: OHCHR for Human Rights, UNIFEM for Gender, UNEP for Environment, and UNAIDS for HIV/AIDS. Cross-cutting issue checklists have been developed in order to facilitate the identification of entry-points and suggest specific interventions to be taken into consideration by clusters. Nevertheless, these checklists have been seen as too broad by the cluster leaders and not helpful in yielding clear priority interventions to be included in the reports and TRMs. Additional resources have come from recent PCNA experience: a Gender Guidance Note was developed during the Sudan JAM, and fine-tuned during the Somalia JNA; and UNEP has recently produced a "Review of Lessons Learned for Environmental Needs and Priorities".

Results achieved

In spite of efforts made, including the use of checklists, interaction with clusters and review of draft reports with provision of comments and inputs, cross-cutting issues are only in some cases mentioned in the narrative reports, and rarely if at all identifiable in the TRM. Therefore, neither budget nor indicators for monitoring the implementation of priority interventions is provided.

- In **Somalia**, the cross-cutting issues experts, apart from gender, came on board only after the assessment process began and their input was limited to input for the preparation of the cluster reports. Interestingly, in spite of these constraints, cross-cutting issues have become the pillars on which the synthesis report was built.

- In **Sudan**, the synthesis report includes several references to cross-cutting issues such as conflict, human rights, HIV/AIDS, environment, and gender. Nevertheless, the identification of cross-cutting priorities was limited in the TRM. Targeting gender equity as in education was more easily accepted than addressing violence against women.

- In **Liberia**, the synthesis report included short 1-2 page summaries of key issues and priority outcomes for each cross-cutting issue, and related interventions appear in some cluster matrices.

- In **Haiti**, the integration of gender was considered successful (it appears as "women status and rights" in the supplementary matrix on cross-cutting issues), as was HIV/AIDS, but neither of these

was integrated in the ICF matrix. Environment was more successful, and was integrated into the matrix, because it was dealt with as a separate theme as well as through cross-cluster linkages.

- In **Iraq**, although cross-cutting were presented in one-page synthesis papers, the sectoral chapters in the final report make little reference to them and no budget was allocated although the synthesis report dedicated one chapter to gender, human rights and environment.

Main constraints faced

Historically, the constraints faced when trying to integrate cross-cutting issues into the PCNA have included staffing, resources, and processes. The technical understanding of cross-cutting issues on the part of cluster leaders, and their sensitivity to those issues, may not be fully developed. Institutional dynamics and pressures may intervene, in the form of competing interests of agencies involved, and the pressures on PCNA experts to satisfy two or more supervisors (RC/HC, PCNA Coordinator, their own agency "sponsor"). Linkages may be unclear with parallel processes, including humanitarian interventions, and mechanisms to ensure cross-cutting inputs are considered by clusters and senior coordinators during the assessment phase and writing of reports may be missing. Finally, there is a lack of concise specialized guidance on how to embed cross-cutting issues into cluster work; technical experts have a tendency to concentrate on their own technical issues and may not read the existing long guidance documents that seek to cover all aspects of a PCNA.

B.   Prevailing Context: Impact on the PCNA Process

The paramount criteria for identifying a cross-cutting issue in future PCNAs is that it dynamically interacts with a substantial number of sectors and requires a multi-sectoral approach. In addition, at least one of the following criteria should be used to determine the added-value of designation as a cross-cutting issue:

- Is directly associated with a root cause of conflict.
- Directly contributes to stability/peacebuilding in the short term.
- If not addressed *now* will have a demonstrably destabilizing effect in the medium term.
- PCNA process presents a unique opportunity to establish multi-sectoral institutions and/or develop specific interventions (e.g. HIV/AIDS in IDP settings).

In some settings, the most important goal for some cross-cutting issues during the PCNA period may be sensitization and/or public information; in such cases, cross-cutting experts may focus on defining communication strategies rather than on trying to integrate actions throughout the cluster reports. Certain cross-cutting issues are more likely to be closely linked with the underlying conflict factors; in this regard, an adequate treatment of natural resources and the environment, and struggles over control of those resources, is an essential part of the conflict analysis (see section VII).

C.   Addressing Cross-Cutting Issues in the PCNA/TRM

11   **Treat cross-cutting issues strategically from the outset of the PCNA process:**

Planning:
- Address the competing interest of agencies involved: ensure the independence of thought and clearer reporting lines for agency experts who will report to the PCNA Management Team.

- Ensure participation of cross-cutting experts in the development of the Concept Note in regard to cross-cutting issues as this will condition the approaches taken during the process.

- If a cross-cutting issue is selected during the Concept Note stage, ensure funding to provide expertise and guidance through to the completion of the process (not necessarily full-time, but at least during crucial phases: first and last).

- Strengthen the competence of cluster leaders in cross-cutting issues: this could include a short sensitization training of PCNA practitioners before the PCNA process starts, and providing better guidance to cluster leaders on their responsibilities in regards to cross-cutting issues.

Process:

- Consider the value of creating a sub-cluster for designated cross-cutting issues while also building mechanisms for cross-cluster linkages, allowing the cross-cutting expert(s) to support not only the cluster where the issue is embedded but also to provide input to other cluster teams.

- In operational guidelines, provide examples for each cross-cutting issue and each standard sector (e.g. health, education, infrastructure, governance and public administration, rule of law, security sector) of actions that could be considered during the stabilization period, to be reviewed by the cluster as to whether actions like those would be considered crucial to create the basis for future development interventions, with instructions to only include a limited number of such interventions for the 2-year TRM period.

- Build in strategy meetings regularly during the PCNA process involving PCNA Management Team, conflict analysis advisor, cross-cutting focal points and cluster leaders to discuss strategic issues, utilizing the TRM as a tool to synthesize the priorities identified along the process, allowing cross-cutting experts to redirect the attention of cluster leaders when required.

Financing cross-cutting expertise.

Two general options are recommended for consideration during the early planning of a PCNA:

a. Mobilize central funding for this purpose, to be used specifically for cross-cutting issues and managed by the PCNA central budget-holders, understanding that selection of experts will be at discretion of PCNA coordinators.

b. Designated lead agencies find funding for experts whose selection will be signed off by, and who will report to, the PCNA coordinators during the process.

VII. Conflict Sensitivity and Peacebuilding[9]

A. Review of Current Guidance and Practice

Agencies have developed a number of conflict analysis tools to provide guidance in the design of peace-building strategies and conflict-sensitive sector policies. Common features of the existing tools are:

- the distinction of *structural* and *proximate* conflict factors fuelling *grievances*, of which the former may assist in the crafting of longer-term policies, while the latter contribute to the emergence of medium-term sector-based or area-based programming;

- the identification of conflict *triggers* (events), or *hotspots* (geographical areas), which may assist in the short-term design of QIPs (quick-impact programs) as well as in the sequencing of the medium- to long-term interventions;

- the thematic categorization of conflict factors, e.g. *security, political, economic and social*, and their distinction according to their *international, regional, national, sub-national* or merely *local* relevance, both of which may help strengthen an emerging division of labor between the different national and international institutions involved.

While general tools are available and qualitatively quite sophisticated, conflict-sensitive sector policy guidelines are still sparse, as are effective monitoring tools for peacebuilding impact.

B. Prevailing Context: Impact on the PCNA Process

The case studies suggest that the PCNA preparatory phase has been one of the most neglected parts of the process, and that targeting transitional strategies to minimizing the *risk* of relapse into conflict, and weaving together economic policy, aid and external military assistance (peace keeping) into a coherent storyline, has been rare. PCNAs often take place in the context of a transitional administration due to give way to an elected government at some point during the transition. While a PCNA does support the efforts of a transitional administration to deliver a quick peace dividend to affected populations, it should also try

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[9] For the complete report on Conflict Sensitivity and Peacebuilding, see Annex III.

to secure the longer-term support of civil society and other parties excluded from the peace settlement or the transitional arrangements.

Peace agreements or transitional constitutions are a key building block of a peacebuilding storyline to the extent that they spell out agreed objectives for ending the violence and look forward to the establishment of a new or reformed institutional framework and timeline. The political constellation supporting a peace agreement or a transitional constitution has usually determined how inclusive the PCNA exercise could possibly be. However, there may be cases where a PCNA-like exercise is undertaken without the existence of a peace agreement but still as part of a peacebuilding process (e.g., Northern Uganda). Conditions for broad-based inclusion may, therefore, be variable but, regardless of the level achieved, maximum use of participatory conflict analysis as a planning tool is desirable.

It is also desirable for a PCNA's results to be monitorable. Well-designed peace agreements have a number of process and output indicators conceptually easy to measure, and sometimes *ad hoc* institutions to monitor them. While PCNAs are usually not able to reach out to the micro-level of community actors, they can at least chart out a process whereby communities will be consulted during the stabilization phase, their substantive inputs sought and the conflict trends regularly monitored, based on the situational indicators of most relevance to those communities.

C.   Addressing Key Issues in the PCNA/TRM

To define the parameters of a PCNA in a specific post-conflict setting, its preparation should be done more rigorously and with sharpened sensitivity to the context. One of the first tools to be in place would be a shared 'strategic conflict and risk analysis', focusing on a relatively narrow set of factors, proxied by a few easily collectable indicators, and endorsed at the highest level of decision-making as the working platform for the subsequent technical assessments.

12 **Develop an analytical grid** based upon:

(a) the typology of post-conflict setting, both in its position on the conflict spectrum (outstanding risks of escalation, clear potential for de-escalation, etc.) and in its formal institutional features (peace agreement or major peace initiative, varying UNSC mandates (with or without a peace agreement etc.)), which would give tentative indications on the scope of the actions that a PCNA can be expected to cover;

(b) the impact of the conflict on the physical and institutional infrastructure of the country, which would point to a realistic time frame to estimate the recovery and reconstruction needs;

(c) the impact of the conflict on the existence of widely shared societal goals, which would help strike the right balance between setting long-term strategic goals via a broad-based process of consultation and a purely technical assessment of immediate requirements;

(d) the impact of the conflict on the human and social capital, with particular emphasis on the disadvantaged (women, children, elderly citizens, minorities etc.), which would underline the persistence of immediate humanitarian and protection needs and may also highlight the existence of untapped capacities for peace; and

(e) the impact on the conflict on the human and institutional capacity available, which would modulate the focus on capacity-building objectives.

13 **Build scenarios** to allow the structure and goals of a PCNA, as well as its process and output(s), to react to the changing context even as the exercise is underway:

- Work out possible best-case and worst-case scenarios in very broad terms, and update them at key junctures (sketching the outline of a PCNA contingency planning[10]);
- *or* design an 'incremental' or 'multi-track' PCNA that would scale up from one phase to the next only if key requirements set forth in the "better-case" scenario are met.

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[10] UN/WB Roundtable 2005: "The identification of risk factors at the beginning of a PCNA's strategic design is also critical, to help clarify the political context and define necessary preconditions or minimum requirements in order to move forward and ensure a successful outcome" (p. 6).

Scenario-building, infrequently a component of formal PCNA planning, has proved to be worth undertaking whenever PCNAs have been linked to fragile peace agreements, which may have collapsed or lost ground (e.g., the Somali JNA and the Darfur JAM). Both options require careful management of domestic (and international) expectations via an appropriate communication strategy. In particular, the scenario-building needs to take into account the possibility that a PCNA may have in itself a peacebuilding impact in that it creates a relatively neutral space for policy dialogue between formerly warring parties (e.g. the Sudan JAM) or engages traditional or community leaders to think of themselves as the lead actors in the recovery process (e.g. the Somalia JNA).

Once a PCNA has been launched, conflict sensitivity takes on a further substantive dimension. A 'strategic storyline' is needed to help select *what* to do as a matter of urgency, *how much* of it to do, *where* to do it and *how* to do it. In this light, conflict and risk analysis moves from 'contextual analysis' to being a key substantive 'planning tool' for prioritizing and sequencing the domestic and international responses to the risk of relapse into conflict.

14 **In defining the scope of a PCNA,** conflict and risk analysis should provide guidance to address factors that fuel grievances but also explore ways to deal with the factors that make conflict feasible in practice, e.g. the capture of rent from natural resources or pervasive corruption due to macro-economic mismanagement – the *'political economy of conflict'* approach. A PCNA also needs to take into account the influence of global and regional imbalances on conflict propensity, such as a heavy dependence on the export of primary commodities. It is important to highlight the need for measures reaching beyond the responsibility of national planners.

In the sequencing of TRM actions, conflict and risk analysis can help identify the *conflict triggers* and *hotspots*, and suggest possible responses to them as a way of pursuing immediate stabilization through the consideration of *proximate causes*; leading to identifying and fine-tuning short- to medium-term interventions; and finally assisting in the identification of the *root causes* and suggestion of a longer-term approach to address them.

A 'stakeholder analysis' exercise as a key subset of the broader conflict analysis exercise should aim to provide an understanding of the 'actors' involved, and their interests and motivations, with a particular concern for the 'spoilers', as well as the 'capacities for peace', namely the "structures, mechanisms, processes and institutions that exist in society in order to peacefully and constructively manage conflict"[11]. Likewise, a PCNA may be able to identify, if politically feasible, windows of opportunity to address, or make explicit, any substantive gaps in the peace agreement.

15 Given the highly politicized environment in which a PCNA sometimes takes place, the conflict and risk analysis tool for a PCNA should pursue a clear **thematic distinction of conflict factors**, with a view to isolating the *political* and *security* dimensions of conflict transformation, more challenging to manage in a PCNA, from the *socio-economic* ones, the standard focus of a PCNA. The distinction should enable a more discriminating approach to the analysis of the socio-economic sectors. Each sector or cluster should aim to offer a conflict-sensitive assessment and relevant recommendations, making it possible in turn for the synthesis report to be organized along the lines of conflict stabilization and conflict transformation. In turn, sectoral inputs capture the peacebuilding potential of technical interventions in a specific country context and therefore make the conflict and risk analysis a living and regularly renewed exercise.

It is important to recall that the application of a conflict lens may lead to a (sometimes significant) re-arrangement of priorities in the immediate aftermath of a transition. For instance, academic civil war research gives strong indications that in post-conflict settings, "social policy is relatively more important and macroeconomic policy is relatively less important… than in normal situations", so that "if opportunities exist for modest trade-offs that improve social policies at the expense of a small deterioration in macroeconomic balances, growth is, on average, significantly augmented"[12]. Another example is that the public expenditure that would maximize growth in the early stages of post-conflict is likely to be in the

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[11] - UNDGO 2004: United Nations Development Group Office, *Inter-agency framework for conflict analysis in transition situations*, November 2004 par. 3, 1.3.
[12] -Collier et al. 2003: P. Collier-V.L. Elliott-H. Hegre-A. Hoeffler-M. Reynal-Querol-N. Sambanis, *Breaking the Conflict Trap. Civil War and Development Policy*, Washington, 2003, p. 155.

capital city and the most developed, often central region, while conflict may have broken out in the first place exactly because of economic marginalization of the periphery[13]. A 'conflict-sensitive' technical assessment is likely to lead to the identification of 'conflict-sensitive' monitorable results.

16 TRMs should make adequate space for both *objective* and *perception-based* indicators. The former are more often process or output indicators, and relate primarily to technical sectors, the latter more often outcome or context indicators, and relate more often to the locally perceived characteristics of 'conflict' and 'peace'. Based on the sequencing of the conflict analysis exercise, the first measurable targets should control mainly for temporal triggers and geographical hotspots, while performance targets established for a later phase of the transition should rather focus on proximate and possibly root causes, as the country moves from stabilization on to transformation.

Previous PCNA experience with conflict sensitivity and peacebuilding has shown that the submission of checklists, either general or country-specific, or the final 'peer-reviewing' of sectoral cluster reports by the conflict focal points, are not sufficient to promote effective use of the conflict lens in the sectoral assessments. Linked to this is the fact that conflict focal points have often joined the process too late to make an effective contribution to the strategic phase of planning that shapes the process and expected outcome of a PCNA.

Key to the enhanced PCNA preparation is the requirement that 'strategic conflict and risk analysis' be systematically carried out *as the very first step* in planning a PCNA (or ideally in the pre-PCNA 'watching' phase to the extent feasible). At this stage, the exercise should be relatively resource-light. However, it is important for the preparation of a PCNA to involve first the senior management of the international agencies concerned and thereafter the key international supporters of the peace process (including key security actors), and then the key representatives of the transitional authority. One of the reasons is that donor buy-in is easier to secure if the UN, Bank and possibly regional development banks have, since the outset, a broad agreement on what they regard as feasible and that, likewise, national counterparts receive a unified message from the international community. A possibility worthy of careful consideration would be for this exercise to be conducted jointly by the UN and the Bank in a watching mode for a number of selected fragile states and then heightened when international momentum builds for the launching of a PCNA.

17 During the early phase of the PCNA, build the capacity of sectoral experts and national counterparts in conflict analysis, particularly with a view to "framing the exercise as non-threatening, building on language and entry points that are acceptable to local actors"[14]. It is crucial that conflict sensitivity not be a stand-alone component but be integrated. Some practical options are:

(a)   one or more international and/or national conflict/peacebuilding advisers for the duration of PCNA exercise (optimum);
(b)   appointing as technical PCNA coordinators persons with the required background in conflict transformation;
(c)   *ad-hoc* use of impartial national resource persons, or skilled diaspora, or experts from regional organizations involved in peace making, to assist the PCNA leadership.

Whatever the solution chosen, it is highly desirable for conflict focal points to work in an iterative interaction with each cluster team at key junctures, most importantly at the launch, at the end of the desk review, at the end of the field missions, and during the drafting of the report and the results matrix. In some cases, specialists on sustainable management of natural resources may have to be more extensively exposed to the particular conflict profile in the country under examination, given the frequently high political stakes of such issues in a transition. An early focus on the strategic peacebuilding storyline as a prioritization tool should be able to mitigate any concerns of the national authorities about politicization of the conflict and risk analysis exercise, by emphasizing the forward-looking nature of a peacebuilding process. It may also address, at least partially, the challenges posed by different or even contradictory approaches of key bilateral actors.

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[13] Collier et al. 2003, p. 166.
[14] UNDGO 2004, par. 4.

Financing conflict and peacebuilding expertise

Two general options are recommended for consideration during the early planning on a PCNA:

- Mobilize central funding for this purpose, to be used specifically for conflict expertise, understanding that selection of expert(s) will be at discretion of PCNA coordinators.

- Designated lead agency to find funding for expert(s) whose selection will be signed off by, and who will report to, the PCNA coordinators during the process.

VIII. Security Sector Issues[15]

A. Review of Current Guidance and Practice

Guidance

Among the indicative priorities for action listed in the PCNA guidance note is security and security sector reform. In fact, security is listed as the number one objective during the crucial first 12 months' stabilization/transition phase[16]. Security sector reform, as well as disarmament, demobilization and reintegration (DDR) are listed as priorities for the transformation and institution building phase (12-36 months).

Security is also seen as an impediment or obstacle to assessment or implementation and, in this regard, is mentioned frequently throughout relevant guidance text. For example, it is suggested that "proposals should be robust enough to be feasible under difficult security conditions and conflict scenarios." But this begs the question: should the PCNA then also not include a robust analysis of security conditions, dynamics and conflict scenarios?

From a budgeting perspective, the guidance specifies that security will have real costs attached to it in the sense of providing security to major installations and projects in addition to recovery costs. Other security factors that need to be considered include violent and organized crime, wage and price distortions due to the impact of war economies on interventions, consideration of insecure no-go areas, delays in implementation through extended political negotiation and decision-making processes, as well as the planning processes, mandates, costs, timetables and deployment of UN or other military presence.

While security is sometimes treated as a sector (as in the Preliminary Needs Assessment for Afghanistan and the JNA in Liberia), the PCNA guidance document suggests that it be treated as a cross-cutting theme, while the TRM guidance note gives security a category of its own. This will need to be reconciled. A broadening of the debate may need to involve an adjustment of key terminology to include security actors' views taking into account the stabilization and transformation paradigm.

Practice

The approach and composition of PCNA teams often do not translate these guidance priorities, objectives and modalities into action. In many cases, the focus of action is more related to the rule of law or human rights and, perhaps for this reason, security is often linked to human rights through a rights-based approach. An analysis of PCNA practice with regard to their approach to security issues leads to the following findings:

- The security situation has been a key factor in deciding when to conduct a PCNA; this has mostly been linked to the question of physical security of UN and World Bank staff and assets required to do the assessment.

- With few exceptions, security considerations affected the quality of the assessment and analysis and in some cases the extent of national ownership as travel was limited.

- In all cases, the responsibility for establishing conditions of security was assigned to or expected to be assigned to a peacekeeping force or international coalition.

- Rule of law: in most cases, this was part of a governance cluster, focusing on the judiciary and police and not linked to SSR.

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[15] For the complete report on Security Sector Issues, see Annex IV.
[16] Practical Guide to Multilateral Needs Assessments in Post-Conflict Settings, page 6

- DDR was included in a majority of PCNAs, either under governance or security clusters and in one case as a cluster in itself.

- The significance of SSR in a broader sense appears to have been recognized in previous and ongoing PCNAs, even though the depth of treatment given to the subject was mostly shallow. In two cases it was excluded from the document. The reasons for this non- or shallow treatment were that either key stakeholders (the parties or external lead nations) insisted that it not be covered or that PCNA participating agencies excluded it as it did not correspond to their mandate or capabilities.

- Linkages of security policies and planning with economic development, social sector and or political issues: even when an actor with distinct security responsibilities and capabilities coexists with a PCNA process, only in very few cases were explicit or formal links made between the two processes.

B.   Prevailing Context: Impact on the PCNA Process

While there is agreement that security sector analyses and transformation should be given greater attention, it is not clear which agency or entity would take the lead. As it stands, SSR cuts across a wide range of UN and Bank policy areas from peace and security, to development, human rights, rule of law and fiscal sustainability. There appears to be no reason to redefine the rule of law area (police, justice, prisons) as being a part of SSR.

A high number of UN institutions are involved in some aspects of SSR, but a common definition or approach is missing (see appendix II of Annex IV). By and large, UN SSR activities tend to focus on rule of law, justice, crime and police or "legacy of conflict issues" (DDR, child soldiers, mines/UXO). Activities aimed at defense reviews, military management, strengthening accountability, civil management and oversight (which are critical elements of the OECD-DAC definition of SSR) are near absent.

DPKO has recently been tasked with chairing a UN working group (DPKO, UNDP, UNODC, OHCHR and others as relevant) that will produce a policy submission outlining options for the UN's engagement in SSR in the context of peacebuilding efforts. The working group is expected to provide options for structuring and strengthening UN capacity for an effective response to post-conflict operational demands; however, it is unlikely these will give greater immediate clarity about which UN entity could be called upon for leadership in providing comprehensive security sector expertise.

While DPKO has some relevant expertise to offer and is widely considered to be the natural lead in SSR matters, it can only contribute in cases where it is mandated to commit resources for a future peace operation or for an existing operation. Thus, in PCNA settings where no UN peace operation is envisaged, DPKO cannot be counted on to provide SSR expertise. Several donor governments (UK, US, France), as well as some regional organizations (EU, NATO) have some SSR capacity and may be called upon to play a lead role in the process or second experts to a PCNA. However, this is dependent on political factors and cannot be counted on in all cases.

The World Bank is constrained from engaging in security sector reform by its "Articles of Agreement" which prohibit interference in political affairs and taking decisions based on non-economic considerations; instead, the Bank focuses on putting security in the macroeconomic framework (both in terms of national budget and in terms of international financing) and in emphasizing the importance of a sound public finance management approach to security sector spending. In recent years the World Bank has explicitly included defense spending in its work on public expenditure in countries where effectiveness and efficiency of defense expenditures are critical to mitigating risks to stability and development (e.g. Afghanistan and the Central African Republic). Given these constraints, the World Bank cannot be expected to take the lead on security in a PCNA.

The apparent historical reluctance to take on security sector issues is a reflection of the prevailing ambivalence towards the security sector in a majority of international organizations dealing with socio-economic development. This is likely the result of a deeply rooted split between political/security policies and socio-economic policies, that may have its roots in Cold War distinctions.

C.   Addressing Key Issues in the PCNA/TRM

Security is nearly always seen as an impediment to both assessment and implementation, but rarely analyzed or taken into account in a coherent peacebuilding approach (see section VII).

18 For the purpose of future PCNAs, distinguish and further elaborate on security stabilization and transformation at three stages:

- Early security stabilization measures: deployment of UN and/or other forces, integration of formerly opposing forces, command and control restructuring, and vetting, train and equip programs of the police.
- Dealing with the legacies of conflict: DDR, mines, child soldiers, reconciliation, arms management etc. However, it is important that these measures not be designed as stand-alone interventions but as part of a larger recovery framework.
- Longer term security transformation (closer to SSR in OECD-DAC sense); including "rightsizing", professionalism and accountability.

This distinction has several advantages: it creates some clarity, corresponds to current practice and enables a better division of labor in the TRM. Moreover, it conforms to current criteria for ODA. Of these three areas, only the first two appear relevant and important for a PCNA that focuses on a transition of a short duration. At the same time, the process will need to include at the early stages some reflection on the shape of the future security sector in order to guide and inform early stabilization and conflict legacy measures.

19 At the same time, undertake early analysis to underpin longer-term security transformation efforts. Given that security and security structures are often an integral part of both the problem and the solution to post-conflict recovery, the political will of stakeholders may not exist for in-depth analysis and action. (Former) antagonists may welcome support, but not what may be perceived as interference with their security policies. Political guidance from those best placed to provide it is therefore vital. The role of the SRSG, or D-SRSG where appropriate, is vital but has not always been seized upon. This is an area for improvement.

20 Include an analysis of security dynamics and scenarios (including deployment of peacekeeping forces), contrasted with key assumptions regarding the timing, implementation and impact of PCNA recommendations. One way of doing this is through an exercise involving all stakeholders that simulates the peacebuilding process and which allows participants (through a "gaming" approach) to compare and test their assumptions regarding the timelines and critical success factors in each of the sectors and clusters.

To date, most work related to security-oriented interventions has been done in parallel to PCNAs. While integration is the desired state of post-conflict planning, it is important to recognize the pros and cons of both options, i.e. parallel planning/assessment or integrated peacebuilding efforts.

A parallel process reflects the current and different dynamics of and between the stakeholders involved: security-oriented entities within the UN, member states and target countries, including foreign affairs and defense ministries, national security councils and the armed forces. "Whole-of Government" approaches in some donor governments aside, the fact of the matter remains that these entities respond to different inputs and timetables than do development agencies, and thus security planning processes will rarely commence at the same juncture as PCNAs. It is likely that this practice will continue for the foreseeable future. Moreover, a parallel process allows for assessment modalities that create trust and confidence between a limited number of security actors, with due regard to requirements of confidentiality.

A fully integrated process, in which security actors and considerations are treated similarly to health, infrastructure etc. within a comprehensive and holistic approach, assumes that all stakeholders and in particular national counterparts agree to the integration of the sensitive security domain in a PCNA process that aims to be as transparent as possible. A challenge to integration is that it requires a synchronization of planning processes that follow different dynamics, which may cause delays in the launching and implementation of both. Additionally, costs associated with security sector transformation

may not be as easily funded through a donor conference as those in more traditional areas of development, leading to unmet expectations in a vital area.

| 21 | Early discussions on PCNAs should explicitly lead to decision on which aspects of security processes should be integrated versus which will be addressed through linkages to parallel processes. |

IX.   State-Building: Support to Core State Functions[17]

A.   Review of Current Guidance and Practice[18]

There is an emerging body of work on state-building that can offer some guidance to PCNA practitioners on how to approach the complex web of interdependent tasks required to build state functionality. Broadly there is agreement that state-building is central to post-conflict transitions because effective and accountable states are the entities best positioned to provide the public goods that underpin peace and development, such as justice, security and core infrastructure. It is also central because states have often acted against the interests of their citizens – and state-building offers a means to build back a more responsive and accountable set of state institutions. The failure of a state to carry out a set of core state functions such as these can create conditions for conflict or undermine post-conflict transition and recovery. However, where post-conflict states succeed in meeting the challenge of re-building their functionality, they stand a better chance of gaining credibility and support.

There is no agreed or "standard" list of core functions; however, there is considerable discussion on the range of minimal functions that correspond to critical public goods such as basic public finance management and essential service delivery in education and health (see Annex V for full discussion).[19] Identifying the most crucial functions will be a critical early task for national actors – one discussed below in section B. Workshops held with practitioners[20] also underlined that no clear model for prioritizing and sequencing the development of state functions currently exists, stressing that establishing the right priorities depends largely on the specific context in which the transition is taking place.

While the PCNA Practical Guide does not explicitly refer to the need to identify, agree on and build capacity in core state functions as part of its strategy, it does note a list of activities that have proven effective for stabilization. Such a list approximates an ideal set of core functions that the emerging state should have the capacity to carry out. The Practical Guide also mentions the benefit of early dialogue with national counterparts which "can increase the readiness of national actors and development agencies to later engage in and contribute to a high-quality PCNA process." The Practical Guide also underlines the importance of calibrating the PCNA approach to the level of state capacity. However, it does not offer systematic advice on when and how to undertake such an assessment. Although political will is mentioned, the emphasis is on institutional capacity to undertake technical aspects of the PCNA and planners are offered only a basic continuum of high to low capacity as a framework for assessment.

B.   Prevailing Context

Post conflict planning requires a high degree of context sensitivity especially if national ownership is a core objective. Two approaches may be useful in this regard: a rapid assessment of state and non-state institutional and stakeholder capacity, will, and accountability, and an early dialogue between transitional authorities and international actors leading the PCNA ("early dialogue"). If initiated in advance of the PCNA during a watching phase, these activities can inform the architecture of the PCNA.

(a) An initial pre-assessment of the state and non-state institutional context can help PCNA teams include the right actors (state and non-state), help clarify what ownership can realistically be borne by the transitional administration, assess possible fiduciary and political risks, and embed realistic expectations in the PCNA process. The level of technical capacity available has a considerable impact on the design

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[17] For the complete report on State-building Issues, see Annex V

[18] This section reviews only PCNA guidance. While a full literature review on state-building has been beyond the scope of this section, the attached annex on state-building references some additional key texts.

[19] "Closing the Sovereignty Gap: An Approach to State-building". ODI Working Paper 253, September 2005.

[20] UNDP / Bank Workshop, "Rebuilding Post-Conflict Societies: Lessons from a Decade of Global Experience" September 19-21st 2005. The workshop, for which a background paper was prepared by Ashraf Ghani, Clare Lockhart and Michael Carnahan, convened a group of national reformers to discuss their experiences of state-building in post-conflict situations.

of the PCNA and the recommended implementation modalities. Getting an early sense of the institutions (national or local, formal or informal) and individuals with capacity is important, combined with an assessment of the reform commitment within the transitional authorities (political will). Finally, accountability – including its dynamic relationship with a popular mandate – can vary enormously in different situations and has been an important factor in determining the context for (re)building core state functions

(b) Early dialogue between international actors and transitional leadership can build national ownership of the post-conflict reconstruction planning process. The Practical Guide underlines the importance of establishing a "vision for the recovery process" – a storyline. Past experience in PCNAs indicate that early dialogue with a core group in the transitional administration to clarify state functions has a clear benefit for the PCNA. In South Sudan, for example, an informal discussion between international actors and SPLM leadership before the JAM process started helped manage expectations, clarify objectives and advise the leadership on how it should structure its engagement in the JAM process. Interviewees during the Phase One mission to Sudan underlined that such dialogue could extend to a discussion and agreement on how the state will organize itself to fulfill a set of core state functions during the transitional period. Such early dialogue can help calibrate the architecture of the PCNA process to the 'visioning' of the early dialogue. Haiti's ICF clusters, for example, were structured around the four axes of the government's transition plan. The timing and scope of this early dialogue will depend on the security situation and the results of the pre-assessment. Where the pre-assessment identifies critical challenges regarding the reform-mindedness and accountability of the transitional authority, appropriate measures can be discussed and integrated into the PCNA/TRM strategy and/or fed into parallel dialogue processes.

C.   Addressing Core State Functions in the PCNA/TRM

Pre-assessment and early dialogue should help identify the critical set of core state functions and signal how to address these through PCNA cluster work. The reestablishment of the core state functions can be facilitated through the PCNA through four areas:

a) Public administration capacity: Public administration capacity is likely to be weak in PCNA countries, thus the state will usually not be in a position to fulfill all core state functions in the immediate post-conflict period; while the pre-assessment can identify the most essential capacity gaps, the need for capacity building will in all circumstances be massive, and it is not realistic at this point to develop a comprehensive roadmap for longer term capacity building needs. It is more important – and feasible – to focus on basic capacity building areas and the provision of technical assistance that are targeted to core state functions: including payroll functions, basic budgeting, accounting and audit functions, financial management systems. Parallel programs have included pooled funding for the basic costs of government and capacity support during the PCNA; getting civil service salaries paid has a key role in stabilization in the immediate period following conflict, especially where unpaid civil servants or members of the armed forces and police constitute a significant threat to the fragile post-conflict environment.

b) Service delivery: In post-conflict settings, non-state parallel service delivery channels may initially be necessary, particularly to meet immediate needs, but can detract from building state capacity in the longer run especially if there is no explicit exit strategy. PCNAs can clarify short-term service delivery roles within a medium-term transition strategy that builds the capacity of the state to fulfill this core function (either as policymaker or oversight agency or as direct service delivery agent) over the long-term. Increasingly, international efforts also address building the capacity of the state to deliver security as a basic service through temporary third party involvement (peacekeepers, UN civil police) or through technical assistance targeting ministries of defense and the interior.

c) PCNA costings and the state budget function: Multi-year planning and budgeting frameworks are key tools with which predictability, transparency and accountability can be built into the center of the state's operations, and also drive effective government. However, the experience of linking the PCNA costing exercise, the TRM and the emerging national budget function has been uneven; there are a number of constraints that need to be understood in order to make more explicit linkages in this regard. Costings have mainly been undertaken within clusters and do not usually involve from the outset – or clearly relate to – the ministry of finance. As a result, budgetary ceilings informed by macro-economic assumptions are not embedded into the exercise and resources are directed away from top-down prioritization towards bottom-up costing. In addition, donors often bypass the budget to channel resources for early recovery needs in a way that ensures speed of response and manages the high fiduciary risk. If

sustained indefinitely, this undermines national ownership of the budget function and reduces the incentive for coordination between line ministries and the ministry of finance, between donor programs and between donors and government. While fiduciary capacity of transitional governments *are* often prohibitively low, the PCNA offers an opportunity for donors to rally around a common vision and plan for moving progressively back towards an on-budget approach.

d) Accountability: Accountability underpins all core state functions. Without accountability, capacity building strengthens state institutions without clarifying: capacity for what? As processes, PCNAs are an opportunity to revive relationships between state administrations and citizens. However, the benefits of inclusiveness in the PCNA process need to be balanced against the potential costs of diluting responsibility for action and raising expectations. Practitioners note that if TRMs are monitored they are a good tool for building mutual accountability between cabinet leadership, between leadership and an effective civil society and between leadership and international actors. There are *horizontal* and *vertical* relationships of accountability across society that will be critical to stabilise a post-conflict country. Horizontal accountability focuses on checks and balances, the independent media and an active civil society. Vertical accountability focuses on relationships between communities and the tiers of government. Substantively, the PCNA can act as an entry point for international actors to programme for accountability across these two axes.

22 **Pay attention to issues of state capacity in the 'watching phase" and during early PCNA planning:**

- **Initiate an assessment of state and non-state institutional and stakeholder capacity** before finalizing the concept note in order to calibrate the PCNA to the realities on the ground. The specific criteria for such a pre-assessment will vary, but capacity, political will and accountability are key variables. The availability of information may be a constraint, but the core team should draw upon existing in-country expertise and external resources persons.

- **Encourage early dialogue between national stakeholders and PCNA team on critical issues regarding the 'vision of the state' and its core functions,** to reflect on the key goals and basic principles guiding the prioritization and reestablishment of the core state functions. Where the pre-assessment identifies critical challenges regarding the reform-mindedness and accountability of the transitional authority, appropriate measures can be discussed and integrated into the PCNA/TRM strategy and/or fed into parallel dialogue processes.

23 **Include aspects of state-building and attention to core state functions in the PCNA cluster teams' work:**

- **Focus attention on how to provide early capacity building to lay the foundation for the reestablishment of core state functions,** both within the PCNA clusters about basic capacity building support (possibly including funding for civil service salaries) and support in advance of or parallel to the PCNA. Targeted technical assistance should also be planned, such as 'contracting-in' temporary international expertise to assist on key functions (M&E, coordination, public financial management, procurement etc.)

- **Make explicit an incremental strategy for transition to state-coordinated service provision.** The PCNA core team must set out a framework for service delivery within which cluster teams can address this issue. This framework will ensure that cluster teams identify roles and responsibilities correctly by actor and action, and indicate institutional responsibilities for overarching policy decisions. The core team must also guide cluster teams in setting explicit milestones to clarify if and how non-state service provision will transition to state-coordinated provision.

- **In costing exercises, seek to identify how they can link to the public budget function.** Within a PCNA process the costing exercise is a forum for capacity-building with national counterparts; to ensure a better alignment of capacity with function, PCNAs must try to align the costing exercise with the budget function. This can be achieved by involving actors from central planning ministries early on, ensuring macro-economic assumptions provide a practical ceiling for costs, without excluding key peacebuilding expenditures, and encouraging donors to understand and actively manage the trade off of bypassing the budget.

- **Prepare the ground for relationships of accountability that are critical to stabilization.** The pre-assessment (along with the conflict analysis and a sound understanding of the peace agreement) will be critical for the core team to map where failures of accountability risk destabilizing the peace. Based on this analysis, the core team can encourage relevant cluster reports to support actions that foster (either horizontal or vertical) accountability linkages. In addition, PCNAs can build accountability into the TRM by ensuring a monitoring mechanism involving national actors (both state and non-state) is an explicit part of the plan.

X. Operational

PCNAs have historically posed considerable challenges at the operational level both to the implementing organizations and to the wider partner community. Efforts to build in greater predictability and deliberate decision-making over structure and timing are designed to assist partners to be able to plan more coherently for these exercises. Operational measures outlined below aim to address a number of challenges from past experience, namely: 1) financing of the exercises; 2) human resources; 3) structures for the conduct of the PCNA exercise; 4) implementation and follow-up mechanisms.

24 *Ensure early financing to allow UN and Bank to launch PCNA processes:*

- Specialized Templates for a JNA Joint Programme were developed and cleared by the UNDG and World Bank in October 2006, allowing donors to deposit funds through one central facility for up-front funding of future PCNA exercises. The Bank issued an accompanying Guidance Note on the use of the Bank's interim budget mechanism, which allows Bank teams to use their administrative budget to jump-start work.

- DGO and UNDP/BCPR have, in each PCNA, been able to advance resources to jump-start process, then to mobilize significant resources from agencies and donors. The Bank has used grants from its LICUS Implementation Trust Fund to pre-position resources for the PCNA in Darfur, supporting the country team's commitment to an 'active watching mode'.

- The general rule for annual budgeting exercises has been to anticipate up to two PCNA exercises per year, best estimated at an approximate duration of 6 months each. Participating organizations (including bilaterals as both PCNA/cluster participants and donors) are encouraged to budget accordingly to ensure adequate resources are readily available on short notice.

- Central resource mobilization for the UN has to date been more successful for the expenses associated with core secretariat functions, and is not expected to ever cover the full range of costs associated with the fielding of cross-cluster or sectoral expertise. The Bank has been able to use Bank budget funds to cover core staff and cluster team members "allocated" to PCNAs.

- Central resources should include up-front equipment particularly security related equipment so that missions can begin with full compliance with security and insurance guidelines.

- To improve coverage of cross-cutting issues, agencies are invited to step forward as 'lead agencies' on these issues bringing own funding, or the sponsoring organizations in consultation with the PCNA coordinators will make every effort to ensure coverage through open recruitment and external resource mobilization.

25 *Coordinate allocation of human resources from the UN and the Bank, ensuring necessary expertise at the critical points in the PCNA and post-PCNA process:*

- Commit explicitly in advance on critical resource issues such as staff vs. consultants, and on critical roles such as report authorship; reflect recognized "good practices", such as:
  - using a single cluster leader is more efficient and yields better technical coverage than co-leaders; this requires explicit discussion of relative strengths, roles and responsibilities;
  - allocation by UN and Bank of staff (current or recently retired) in lead roles is more effective than using consultants whose institutional understanding/connections may not be sufficient;
  - finding mechanisms for sustaining the PCNA "presence" is important even as the peace process stretches and events intervene/delay;
  - balancing the value of country-specific knowledge vs. updated knowledge of global best practice is important both within cluster teams and across the entire PCNA team; and

- o finding ways to increase continuity of personnel from PCNA process into post-PCNA programming; this yields high returns although a challenge for both UN and Bank.

- Proactively plan for operational scenarios based on past experiences – "what if" peace process elongates á la Sudan, "what if" conflict flares up again á la Darfur.

- Build agreement that in a post-peace agreement scenario the PCNA should ideally be a 4-6 month endeavor, to maximize visible action to legitimize the peace-time state as early as possible; institutionally the challenge is to have the staff surge capacity to accommodate up to two exercises per year of up to six months each. This capacity would include budget for conflict advisor, political advisor, communications officer, operations staff for the duration process of the PCNA, as well as support to technical production of report. Acknowledge likely "messy" scenarios that can't be predicted, and accordingly build a small cadre of trained-up consultants who can "pinch hit" for parts of the exercise (cluster work, some aspects of coordination) on short notice.

- Standardized templates for TORs and core components of PCNA process work should be built into the PCNA guidance to reduce start-up time

26   *Provide additional training and organizational support within the UN and Bank:*

On the part of the United Nations DGO, actions will include revising the PCNA-TRM guidance in collaboration with the World Bank; formalizing the roster of experienced PCNA practitioners; obtaining institutional agreement from DPKO and DPA, and PBSO, where appropriate, to engage in PCNAs; and establishing an informal dialogue forum with donors to trouble-shoot up-coming and on-going PCNA exercises. In addition the UN will work to build sufficient UN-wide understanding of the PCNA among all agencies, by seeking high level buy in at the UNDG principals' level and among Regional Directors. At a technical level, mechanisms to sensitize and train staff on PCNAs approaches and issues will be explored.

For the World Bank, key actions will include revising the PCNA-TRM guidance in collaboration with the UNDGO; issuing a short Bank staff guidance note on PCNAs; including a dedicated session in the new three-day staff training course (expected in late FY07); developing a "callable" roster of specialists plus an institutional mechanism to deploy PCNA expertise; establishing an agreed focal point at HQ for operational support to country teams who see a PCNA "on the horizon"; and issuing a guidance note to accompany the JNA Joint Programme template package.
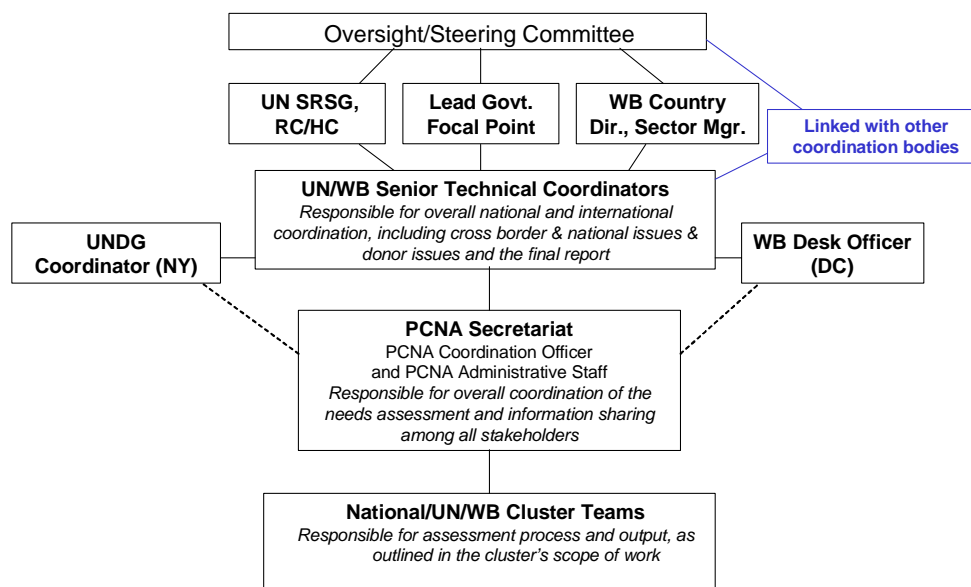
27   *Build in effective PCNA coordination structures during the various stages:*

Each PCNA design, and its coordinating mechanism, must be tailored to the country context and PCNA objectives, so there is no perfect blueprint for a PCNA secretariat. However, given the multilateral and participatory nature of the PCNA, basic coordination needs will be significant and in order to be effective, must be planned for in advance for each phase of the PCNA.

Watching/Pre-assessment phase: Coordination during the watching phase is the "lightest", and should usually entail informal linkages and periodic meetings between UN and Bank Country Teams as well as linkages between UNDGO and the World Bank focal point (which may be either in the region or in HQ).

Preparatory phase: To manage the early data collection, desk review, and to support outreach and negotiations with the national authorities, the conflict parties, the donor agencies and the NGOs, the UNDG and Bank should establish a PCNA Secretariat, led by two Senior Technical Coordinators. Experience has shown that the PCNA leads should be selected from either current or recently retired personnel rather than using consultants whose institutional understanding and connections may not be sufficient to steer the overall technical process of the PCNA to completion. A national focal point will be needed early on for the PCNA Technical Coordinators, but reliance on only one interlocutor in a politically fragile transitional environment requires that focal point to be backed by a small early national advisory group that can morph into more specific technical or leadership roles as the PCNA advances.

Illustrative Coordination Structure

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┌─────────────────────────────────────────────────┐
│           Oversight/Steering Committee          │
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┌──────────────┐  ┌──────────────┐  ┌──────────────┐      Linked with other
│  UN SRSG,    │  │  Lead Govt.  │  │  WB Country  │      coordination bodies
│   RC/HC      │  │ Focal Point  │  │Dir., Sector Mgr.│
└──────────────┘  └──────────────┘  └──────────────┘

          ┌──────────────────────────────────────────┐
          │   UN/WB Senior Technical Coordinators    │
          │  Responsible for overall national and    │
┌────────┐│  international coordination, including    │┌──────────────┐
│ UNDG   ││  cross border & national issues &        ││WB Desk Officer│
│Coordinator││ donor issues and the final report     ││    (DC)      │
│ (NY)   │└──────────────────────────────────────────┘└──────────────┘
└────────┘
              ┌──────────────────────────────────┐
              │         PCNA Secretariat         │
              │    PCNA Coordination Officer     │
              │  and PCNA Administrative Staff    │
              │  Responsible for overall         │
              │  coordination of the needs       │
              │  assessment and information      │
              │  sharing among all stakeholders  │
              └──────────────────────────────────┘

              ┌──────────────────────────────────┐
              │   National/UN/WB Cluster Teams    │
              │ Responsible for assessment process│
              │ and output, as outlined in the    │
              │      cluster's scope of work      │
              └──────────────────────────────────┘
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Assessment and Analysis phase: This phase requires significant coordination capacity (both human, logistical and financial) for field consultations, assessment visits, workshops, and logistics to support the coordination of the cluster teams' movements and activities. This phase will often require more substantial financial resources than the preparatory one, but early discussions on the structure of the PCNA should also take into account the security and political constraints, and the degree of comprehensiveness of the knowledge base that was built during the preparatory desk review phase.

Prioritization, Finalization, and Resource Mobilization phase: Requires a scaled down, but senior-led, structure of the core team working closely with national and bilateral partners. Logistical support may be needed for the validation process and for conference planning.

Implementation and Monitoring phase: Requires resources and support for a coordination structure that will monitor the implementation of the agreed TRM[21]. The lack of a resourced structure for monitoring implementation and feeding back information has been a historical weakness of PCNAs.

28 ***Manage information effectively both locally and globally with tactical use of information technology:***

Because the PCNA is a multilateral exercise with stakeholders spread out geographically, the creation and regular maintenance of a PCNA website is critical as a principal medium for information exchanges (though primarily for the international community and capitol). The first PCNA website was created at UN HQ (Iraq: (http://iraq.undg.org), though they evolved to be supported and managed at the country-level (Haiti: http://haiticci.undg.org and Sudan: http://www.unsudanig.org/JAM), serving as a resource center for all background information (security council resolutions, watching briefs, guidance notes, etc), as well as regular cluster updates, workshop outputs, meeting minutes, updated timelines, donors conference plans, and finally the cluster and synthesis reports.

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[21] In Liberia, the RFTF Implementation and Monitoring Committee (RIMCO) was created following the donor conference to oversee implementation and monitoring of the RFTF and financial flows, as well as act as a forum for regular donor consultations. RIMCO had two levels: a policy level, apex coordinating body and technical level organs, the RFTF Working Committees (RWCs). RIMCO included representation from the NTGL, UNMIL, UN Country Team, World Bank, donors (USA, EC, UK, China, later Sweden and Germany), ECOWAS, 1 INGO and 1 Liberian NGO. RIMCO was supported by the RIMCO Support Office (RSO) housed within the Ministry of Planning.

In Liberia, a RIMCO site was later set up (http://www.myliberia.org) in mid 2005 to serve as an information gateway as well as an interactive tool to track RFTF activities, report aid flows and monitor progress against benchmarks. In addition to the web site, the JAM Teams in North and South Sudan produced JAM brochures that answered the questions "Why a JAM?", "What is a JAM?" and "Who's Who in the JAM?", for the purpose of sharing with Sudanese government and other local stakeholders who would not have access to on-line background (published in English and Arabic).

The greatest information efforts have been made in the current Somali JNA. A Website has been developed – www.somali-jna.org that provides key information for the team working on the JNA. In addition, the first wide-reaching PCNA radio campaign was launched for the Somali JNA. Radio stations chosen for their broad regional and clan coverage had paid sessions broadcast on them, and the JNA team has also circulated on a 'free of charge' basis these same radio programs to all other Somali radio stations and websites. The JNA Secretariat also produced 10,000 poster-pamphlets in Somali, which were distributed to JNA teams within Somalia and UN offices for onward distribution to Somali people in places such as tea houses, mosques, markets, health clinics and universities.

One case where the lack of communication and information-sharing with national partners was particularly critical was in Haiti, where civil society, the diaspora, and the press felt neglected during the ICF exercise, but were especially critical of the government in the period that followed as it took six to eight months for the implementation mechanisms to be set up, and by March 2005, only $220m had been disbursed. A proactive communication strategy would have helped to alleviate the growing criticism.

XI: From Assessment to Action

This report has emphasized the results of the PCNA Review that highlight the need for a shared set of expectations for the PCNA, anchored in an explicit shared objective; the extent to which the PCNA process must be re-engineered to better enable it to meet that objective; and the elements which have been largely missing from previous PCNAs but are seen as critical to delivering a strategic, selective, and actionable plan for stabilizing the fragile peace.

PCNA Objective: Foster inclusive national dialogue, underpin results matrix with credible analytics, assessment, and costing

As a mechanism to foster national dialogue, a shared understanding of needs for a common action agenda, and a mechanism to underpin sequencing and results articulation, the assessment should allow for *comprehensiveness* as a means to engage the maximum number of stakeholders. The assessment should engage a "full scope" approach covering all priority areas (or, depending on timing, signal areas that merit more in-depth assessment during the implementation phase). Acknowledging this comprehensive "full scope" flavor does not ignore the fact that the time and security constraints on PCNAs mean they will not be exhaustive assessments, nor will they be able to guarantee the ideal level of data quality and analysis that subsequent national or sectoral planning efforts should be based on. The PCNA should be organized around no more than six to eight clusters to keep the coordination and transaction burden manageable, with clearly articulated sub-clusters and linkages to assure optimal levels of specialization and cross-fertilization. Each cluster will distinguish core aspects of assessment that bear on *stabilizing the peace* and those that drive *transformation toward achievement of MDGs.*

TRM Objective: Foster strategic consideration of tradeoffs to achieve selectivity of results

As a mechanism to manage expectations, foster agreement and understanding among stakeholders on sequencing and tradeoffs, the results matrix articulates *what* critical actions can practically be accomplished, commits to *how* these selective results will be achieved (TRM with its Implementation Platform), and establishes elements of monitoring and accountability to ensure that the allocation of resources and translation of results into programming remain consistent with the TRM's intent, and relevant to prevailing circumstances. The TRM should be subject to regular review and up-dating, and extension as circumstances dictate.

A.   Refining the PCNA

Guidelines will make a clearer, more articulate distinction between the assessment process (comprehensive albeit not exhaustive) and the strategic and selective results framework (TRM); guidance on the TRM will be brought in as an integral part of the Practical Toolkit. The Toolkit will also assist in compressing the time needed for start-up by providing "Really Practical Guides" for known processes, TORs for secretariat staff, and other standard tools of parts of the exercise that can be standardized. The administrative and financial process for the launch of a PCNA will be streamlined by using the new UN/Bank Specialized Joint Programme that allows donors to easily channel funds through one facility.

A phased country-specific approach will be taken that explicitly identifies:

- elements that can be addressed in the pre-assessment, during the "watching phase", providing the underpinning for the PCNA when officially initiated;

- elements for which assessment and priority results will be 'core' to this country setting and must be done within the 4-6 month PCNA period;

- elements for which assessment is important and desirable but can be done as an agreed and prioritized part of the implementation of the TRM (these need to be signaled early - part of the Concept Note or shortly thereafter); and

- elements which are important but not part of the priority sequencing for first two years post-peace agreement, but are better suited to a later, longer-term national planning process.

During the watching phase, as much of the desired "pre-assessment" work will be done as is feasible, including a conflict and risk analysis, scenario planning, assembly of overall data (development of annotated bibliography and data sources), and an analysis of state and non-state stakeholders, institutions, and capacity.

Creating shared and realistic expectations about the objectives, outcomes and implementation of the PCNA process requires explicit sharing of expectations across stakeholders *a priori*, and mechanisms to mediate conflicting or competing objectives in a dynamic way after the donors' conference is complete and resources begin to flow. Each TRM will be accompanied by an "implementation platform" that includes:

- An indication of mutual accountability between national and international partners, or "compact", to establish the foundation for monitoring consistent with the OECD/DAC *Principles for Good Engagement with Fragile States*.

- Governance structure for implementation of the TRM (linked with aid coordination and MDTF governance when there is one), including provisions for a financial tracking and aid management system and an articulation of who is providing support for its establishment and management (which national body houses it, which international body provides capacity/technical support). If these parameters are still under negotiation with national authorities when the TRM is drafted, this aspect of the TRM should be revised at the three-month mark. The governance structure is responsible for the monitoring and evaluation function, preferably using the indicators embedded in the TRM.

- Communication strategy which should be composed of multiple pillars, including print, radio (make best use of UN Radio where available, use capacity of PKO missions in place), periodic town hall meetings, TV spots, websites.

B.   Linkages with Resource Mobilization

The political timing of the PCNA, and its contemporaneous and substantive links to the peace process, puts a premium on the assessment generating a costed report that carries an impressive "price tag", which in turn becomes a rare opportunity to 'spread the word' about the extent of recovery needs, harvest significant support from donor countries while the "CNN effect" is still active, and set the 'starting point' for the dialogue on both domestic (own revenues) and international (aid) budgets.

Therefore, inclusion of the comprehensive assessment and its overall total price tag at the donor conference is probably the best course of action, but it must be explicitly tempered with a discussion of the selectivity and sequencing that is essential if those resources are to be used effectively. In finalizing the PCNA products and preparing for the donors' conference, the TRM is costed as a *strategic,*

sequenced action plan with clear accountabilities, articulating that "this is what should be done *first* no matter what." For maximum impact, the commitment of resources by donors at the conference would be a commitment that regardless of channel (MDTFs, grants to NGOs, bilateral projects through own contractors, etc.) the pattern of allocation would be highly preferential to the actions in the TRM.

C.   Enforcing Selectivity: Moving from PCNA to TRM

A critical element of moving from the comprehensive assessment to a selective actionable TRM is creating the right mechanism and process for distilling the right strategic results from full cluster assessments. The synthesis report, which presents the narrative anchoring the TRM, will not be a mechanistic consolidation of cluster team reports, but rather a strategic identification of key objectives with TRM capturing highly selective results. To achieve that result, four changes will be required:

- At the outset, the PCNA core team should engage with a small group of key national leaders to identify the key strategic results that are strongly believed to be critical to maintaining the peace.

- Cluster teams, and their leaders, will have as part of their Terms of Reference the requirement that as they move from assessing needs to identifying strategic priorities by using the strategic guidance received from the political leadership and PCNA core team as criteria for mediating or choosing between priorities and key actions as the cluster work moves into its final stages and cluster matrices are developed.

- Each cluster will examine the key sub-clusters or topics within their scope through a "conflict sensitive lens", trying to complete this statement: "Supporting the fragile peace will require A) [*stabilization result*]; B) [*stabilization result*]; and C) [*creating foundation for transformation*] to be achieved in the next (two) years", where A, B, and C are concrete, monitorable, and achievable within the designated timeframe. Clusters will be required to demonstrate the rigor of their prioritization and sequencing efforts by listing "what they left out".

- Once all teams have completed their cluster reports and draft prioritized matrices, the drive for selectivity moves back up to the leadership level, where trade-offs between and across clusters will be made based on the original vision of the key strategic results needed to stabilize the fragile peace. The resulting TRM is a costed, strategic, sequenced action plan with clear accountabilities – "This is what should be done first no matter what, and here's what it costs."

Full cluster assessments are costed for comprehensiveness to underpin broader more medium-term sector programs that develop as stabilization moves into transformation. Exhaustive cluster assessments may not be completed during the core PCNA exercise, as both time and access will mitigate against gathering and analyzing top-quality data, but additional cluster work can be included on the agenda for discussion with national and international stakeholders, as long as the intent to undertake these additional modules has been signaled in the implementation plan to be sure there is consensus that they are high priorities.

D.   Strengthening linkages with other processes

Linkages with humanitarian activities. The assumption is that as long as humanitarian/life-saving needs persist, a separate short-term (one-year/flash) appeal instrument will be necessary for needs that cannot be foreseen in a multi-year framework. Since humanitarian and reconstruction needs are usually funded by bilateral donors from different sources, there should be a way to tap humanitarian funds even while PCNA focuses on resourcing the recovery and reconstruction budgets.   Country approaches to the linkages with humanitarian action may vary, the key is that the nature of the link must be clearly and explicitly articulated across all key actors and the process allows a flow of communication that supports rather than prevents alignment of humanitarian with security and with recovery-reconstruction

- Consult humanitarian colleagues who developed CAP early in the PCNA to make linkages and so the PCNA team knows what data and assumptions the CAP team worked from.

Getting action moving early is paramount in the first days following the conclusion of a peace agreements so existing and/or new transitional vehicles should be used to assure immediate action even while the PCNA is being conducted and until the TRM is approved and funds flowing. Full use should be made of CAPs, transitional strategies and appeals, transitional trust funds (e.g., for civil service salaries) etc., and PCNA clusters should feed immediate needs identified directly *into* these processes as they progress.

Clear exit clauses and/or linkages must be built into these interim facilities to assure harmonization with and handover to the TRM implementation.

- PCNA synthesis document should have a section that clearly spells out the linkages to the CAP and/or other relevant framework. OCHA/CAP communications apparatus should also be tapped when needed/appropriate.

Linkages with security and political planning. Early steps must be taken to establish the contacts and procedures across security and political processes (including peacekeeping mission planning and electoral support mission planning) to integrate them as much as is feasible, and in all cases to ensure exchange of information, synchronization of interventions, and more realistic planning. Decision makers and process managers on all sides should plan for this contact; to this end SRSGs and other mission leaders should be sensitized to PCNA goals and dynamics as part of their preparation and guidance.

- If a UN PKO already in place, an integrated mission planning team will be in place or should be established immediately as locus for UN peacekeeping-humanitarian-development joint planning and strategizing. Link this team in as core members of the PCNA team (not just one cluster, like security, but rather as part of Secretariat or reference group). They will be busy with their own largely concurrent planning process, so the point is to get them involved enough in the process and the substance so that implications of decisions or linkages are fed back through the planning channels of <u>both</u> the PKO mission and RC/Agency sides of the UN presence.

- When a UN peace operation is being planned but not yet in place, a focal point in DPKO at the country desk level should be sought for the PCNA, and agreed between PCNA leadership and DPKO at a senior level. In case no peace operation is envisaged under DPKO lead, or when DPA has a presence in the ground, DPA should be asked to designate focal point as well.

- Maximum use should be made of UN Radio and civil affairs officers deployed at local levels for purposes of the PCNA communication strategy.

XII. CONCLUSIONS AND NEXT STEPS

It is clear that the introduction of new or improved features for the PCNA/TRM must be weighed against the need to ensure that the process is manageable and realistic. While this report contains many recommendations, they are not all new features. Rather, many provide for the redesign of already existing components that have historically been inadequately resourced, been applied in too arbitrary a fashion, or had insufficient impact on the overall 'storyline' contained in the PCNA/TRM and ensuing implementation plan. A number of recommended measures should contribute to streamlining and manageability. These include:

- Introduction of a watching/pre-assessment phase that will front-load critical early analytics before the official PCNA begins

- Keeping the duration of the official PCNA exercise to 4 to 6 months, circumstances permitting

- Limiting the number of clusters to 6 to 8

- Introducing greater selectivity and realism into the TRM

- Introducing a phased approach that explicitly identifies, at the Concept Note stage, those components that will be covered in the 4-6 month 'core' PCNA period, those that can be taken up as part of the TRM implementation platform, and those that should be left to future planning exercises

- Revision of guidelines to make them more user-friendly, introduction of the UN/WB Joint Programme for integrated funding of PCNAs, and development of template TORs

In addition, the report makes specific reference to internal operational measures that can be taken within the Bank and the UN to facilitate the pre-positioning of staff and to assure more predictable funding.

There are also a number of unanswered questions emanating from these recommendations, notably clarity on *who* will carry forward some of the newer features such as the watching/pre-assessment phase, the security assessment to the extent it is integrated into the PCNA, and according to whose methodologies given that the Bank and UN each have distinct (though not incompatible) approaches to conflict/risk analysis and capacity assessment, as do many bilateral partners. It is hoped that the 2007 pilot of the watching/pre-assessment phase in a chosen country (as agreed in the validation workshop) will provide greater insight into resolving these questions.

The question of *when* and *in what countries* to initiate a PCNA was analyzed, but no generic or systematic guidance could be concluded as a result of this review. It was recognized that such decisions are highly tailored to each country setting, are quintessentially political in nature, and are difficult to 'govern.' It is anticipated that the introduction of the 'watching' phase will serve as a platform for earlier dialogue among partners as to possible candidate countries though it is recognized that last minute cases will likely continue to arise.

The peer review and consultative groups as well as the 30 November validation workshop resulted in a wealth of valuable ideas and comments linked to the recommendations presented here. While every effort has been made to reflect as many of these comments as possible, they were not always compatible and were sometimes contradictory. It has also not been possible for this report to respond to all the concerns, and many questions will be addressed in follow-up stages when guidance notes are being drafted and refined (e.g., greater clarity on the 'peacebuilding storyline,' on the two-year planning horizon, on the stabilization/transformation paradigm, and on linkages to humanitarian planning processes).

There has been much discussion regarding the desirability of renaming the PCNA to better reflect both the technical assessment and the results planning nature of the exercise. Based upon alternatives discussed during the review process and with participants at the validation workshop, the UN and Bank propose to use Joint Assessment and Recovery Framework. The UN and Bank may decide, however, during the joint revisions to the PCNA-TRM guidance, that an alternative name would be more suitable. The UN (through DGO) and the Bank will work together to 're-brand' the PCNA for a wide audience with the launching of the revised tools in 2007.

The World Bank Fragile States unit and the UN Development Group Office will lead the follow-up actions emanating from this review. The Review Team would like to thank all participating organizations and individuals who have contributed so valuably, and look forward to continuing our joint efforts to strengthen our support in post-conflict settings.