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UNITED NATIONS POLICY for POST-CONFLICT EMPLOYMENT CREATION, INCOME GENERATION and REINTEGRATION

The secretary-general

FOREWORD

June 2009

Rebuilding a shattered society takes far more than bricks and mortar. Quite often, the deeper challenge is restoring people's sense of opportunity, dignity and hope.

Employment and income generation are fundamental elements of the post-conflict solution. For communities and individuals, job creation and regular income can provide the means for survival and recovery. They are also keys to reaching out to young people and reintegrating ex-combatants and returnees. In short, generating employment is crucial to building peace.

Promoting employment creation is challenging in the best of circumstances, and far more so in post-conflict situations. As the title of this document suggests, such efforts require teamwork within the United Nations and the partnership of many others.

The policy put forth here proposes a practical 'three track approach': stabilizing income generation and emergency employment; promoting employment opportunities at the local level, where reintegration ultimately takes place; and supporting sustainable employment creation and decent work.

Approved in May 2008, the policy is the product of two years of research, analysis and engagement among agencies throughout the UN system. It is meant to serve as a tool for the United Nations at the country level, and to enable every agency, programme and fund to find its niche and area of intervention while contributing to the whole.

The end of conflict creates a window of opportunity for social and economic reform. I hope this policy will help all those working on employment and reintegration at the country level to better deliver as one for peace and prosperity.

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PREFACE

Supporting the rebuilding of societies, polities and economies riven by conflict is one of the United Nations' major responsibilities. Opportunities to recover often arise early, sometimes even during conflict itself. Those moments must be seized for the revitalization of institutions, markets and enterprises; the reconstruction of infrastructure; and the restoration of trust and hope. The legitimacy enjoyed by the United Nations makes its contribution to these tasks unique. Together, UN institutions muster a great deal of country experience, global perspectives, and technical expertise. We have the ability and the will to put these into highly efficient practice.

When conflict eases, it is imperative to deliver peace dividends quickly to help bring about a genuine improvement in peoples' lives. Critical to that is providing jobs and opportunities to earn a decent living. We are therefore pleased to present this UN Policy for Post-Conflict Employment Creation, Income Generation, and Reintegration, as endorsed by the UN Secretary-General. This document represents a UN system-wide effort to bring together knowledge on development practices when conflict ends.

This policy recognizes the crucial link between employment and peacebuilding. It reflects the results of three years of interagency consultations, jointly led by ILO and UNDP. Many United Nations agencies, departments, funds and programmes have participated in this effort, including Secretariat Departments and Offices (DESA, DPA, DPKO, OSAA, PBSO, SRSG CAAC), ESCWA, FAO, OHCHR, UNCDF, UNHCR, UNICEF, UNIFEM and UNRWA. As major partners in post-conflict recovery, the IMF, the World Bank, and the Asian Development Bank were also consulted in preparing the policy.

This policy is built around a common set of guiding principles and programming guidelines. It underlines the necessity of comprehensive strategies for post-conflict employment promotion and reintegration. The policy defines three programming tracks:

- Track A on stabilizing income generation and emergency employment aims to consolidate security and stability, targeting conflict-affected individuals and groups;

- Track B on local economic recovery for employment and reintegration focuses on promoting employment at the local level, where reintegration ultimately takes place; and

- Track C on sustainable employment creation and decent work involves support to policies and institutional capacity building at the national level, including a framework for social dialogue.

The policy recommends that programmes in each of these tracks should be undertaken simultaneously, as early as possible, and with varying degrees of intensity and duration, depending on local circumstances.

Complemented by an operational guidance note, the policy contributes to a common understanding and approach to employment creation and reintegration in post-conflict situations. It aims to help the UN and country partners translate initial emergency employment programmes into sustainable opportunities, recognizing that different population groups—women, men, and youth—require different attention and support.

As requested by the UN Secretary-General, ILO and UNDP, in collaboration with other partners, will provide leadership in supporting the implementation of this policy. With it, the United Nations is better positioned to constructively contribute to conflict resolution, economic recovery and peacebuilding. This is our mandate, our challenge, and our commitment.

Helen Clark
UNDP Administrator

Juan Somavia
ILO Director-General

October 2009

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United Nations Policy

POST-CONFLICT EMPLOYMENT CREATION, INCOME GENERATION AND REINTEGRATION

Executive Summary

May 2008

In post-conflict situations, employment is vital to short-term stability, reintegration, economic growth and sustainable peace. This United Nations policy paper contributes to a common understanding and provides a United Nations approach to employment and reintegration, built around a set of guiding principles and programming guidelines designed to support programming at country level. The policy aims to help scale up and to maximize the impact, coherence and efficiency of support provided to post-conflict countries by United Nations programmes, funds and specialized agencies. Specific attention is given to the needs and capacities of conflict-affected groups, with particular attention to issues relating to unemployed women and youth. An operational guidance note sets out the implementation and institutional arrangements among the different United Nations bodies in this field.

UNDERSTANDING EMPLOYMENT IN POST-CONFLICT SETTINGS: KEY CHALLENGES, OPPORTUNITIES AND GUIDING PRINCIPLES

Challenges: Promoting employment growth requires a thorough understanding of the underlying economy and market. An immediate challenge is to restore markets and access to markets for goods, services and labour affected by the conflict. Sustaining reintegration of ex-combatants, (including former child combatants), refugees and internally displaced persons (IDPs) should involve continuous monitoring to avoid undermining or reversing early achievements from the stabilization phase. Creating youth employment that taps into the positive energy and skills of youth is a particularly difficult challenge, as youth often find themselves trapped in a vicious cycle of violence, poverty, illiteracy and social exclusion. There should be a balance between priority security concerns and equity considerations, especially when targeting specific individuals or groups, such as ex-combatants. It is essential to recognize the needs of specific target groups but such a focus can fuel resentment in communities, if not framed within an overall strategy that respects community-based expectations and equity. Urban and rural areas present different challenges (and opportunities) with regard to employment and reintegration. The characteristics of basic labour markets, the levels of organization and training of labour, and the potential for employment programmes to

generate desired results, all differ significantly between rural and urban areas. Root causes of conflict, such as inequitable access to land and natural resources, need to be addressed.

Opportunities: Transitions from conflict to peace create windows of opportunity for social and economic change. Socio-economic recovery should be managed to benefit, to the extent possible, the entire population. Employment should deliver the new economic benefits and peace dividends to the affected population. The United Nations can act as a facilitator and as a catalyst for the process of transforming opportunities into reality. Peacebuilding processes should improve the rights of the affected population, with particular attention to reducing inequalities towards women and youth and to previously disenfranchised groups, through political, economic and labour market reforms. Substantial investments in infrastructure should optimize the use of employment-intensive and employment-friendly techniques, where this is economically and technically feasible.

Guiding principle 1: be coherent and comprehensive

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

Guiding principle 2: do no harm

Programmes must avoid harmful spill-over effects on individuals, communities, the environment and the economy. A surge in aid flows can, for example, lead to a sharp appreciation of the real exchange rate which can discourage investment in employment-intensive exports. Competition for staff can slow recovery of government institutions and distort private sector wage levels.

Guiding principle 3: be conflict sensitive

United Nations programmes must at all times avoid creating and reinforcing causes of conflict. Analysis and continuous monitoring of the root causes of conflict, as well as of programme impact, need to be an integral part of post-conflict efforts.

Guiding principle 4: aim for sustainability

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

Guiding principle 5: promote gender equality

Although certain changes in gender roles during conflict can have an empowering effect on women, the social foundations of gender relations tend to remain largely unchanged after a conflict. Programmes must systematically assess opportunities in a gender disaggregated way and support both women's and men's efforts to build new social and economic relationships.

A COMPREHENSIVE AND COHERENT APPROACH

Coherent and comprehensive strategies for post-conflict employment promotion and reintegration should always include the three programming tracks detailed below. While all three tracks promote employment, their focus is different: respectively stabilization, reintegration and long-term employment creation. Programmes in these tracks start at the same time, preceded by pre-peace accord planning. All three tracks are observed in any phase of the recovery but their intensity generally peaks at different times.

Pre-peace accord planning should address employment and other socio-economic challenges in the post-conflict setting even before conflict ends. Pilot job creation programmes can be started in safe areas before a full peace accord is reached. Assessments such as the post-conflict needs assessment

(PCNA) can gather relevant information regarding employment and other socio-economic needs of conflict-affected groups and their communities. During exile, most refugees are involved in employment-related projects. Socio-economic profiling of returning refugees and IDPs via interviews, which record newly acquired skills and work experience, can help in the design of post-conflict employment and income generation schemes.

Guidance on the three programmatic tracks:

a. Track A: Stabilizing income generation and emergency employment
This track of employment programmes aims to consolidate security and stability. Programmes typically target specific conflict-affected individuals. The emphasis is on short-term responses, often of a temporary nature, that provide a quick peace dividend to targeted ex-combatants, high-risk youth, returnees, IDPs and others with urgent needs or running a high risk of exploitation or abuse, particularly women. In addition to contributing to stabilization and relief, direct employment programmes can also make first valuable contributions to reconstruction and recovery. If well designed, these programmes can help kick-start economic and social recovery and restore livelihoods. Programmes include emergency temporary jobs, such as cash-for-work and public employment services, as well as basic livelihood and start-up grants (including cash aid).

b. Track B: Local economic recovery for employment opportunities and reintegration
This track of employment programmes focuses on promoting employment opportunities at the local level, where reintegration ultimately takes place. Rebuilding communities provides opportunities to address root causes of conflict and facilitate longer term reconciliation. The scope of participating economic actors is wider, and capacity and institution development become central objectives. The focus is on consolidating the peace process and reintegration. These programmes include: i) capacity development of local governments and other local authorities and institutions (including customary institutions), providers of business services and other associations; ii) community driven development programmes comprising participatory investments in local socio-economic infrastructure and social and productive programmes; and iii) local economic recovery programmes consisting of consulting community groups regarding private sector development and direct employment support services, such as financial development and microfinance programmes.

c. Track C: Sustainable employment creation and decent work
This track involves support to policies, institutional capacity development at the national level and creating a framework for social dialogue to define by consensus building "the rules of the game". The ultimate goal is to promote sustainable long-term development that sustains "productive employment and decent work[1]", while respecting fundamental human rights, promoting gender equality and attention for marginalized groups. While most interventions in this track continue to have a role as the country's recovery progresses, it is important that work in this field starts immediately after the crisis, balancing the need for quick action with the importance of sustainable impact. Key programmes include: i) support to macroeconomic and fiscal policies, to active labour market, labour law and investment policies and to employment generating sectoral policies; ii) support for financial sector and business development services; and iii) promoting labour-related institutions that enhance employability, social protection and other aspects of labour administration. These programmes should be supported and vetted by social dialogue between tripartite constituents (government, employers and workers) and other relevant stakeholders, to promote consensus on labour market policy as well as legal and institutional reforms.

[1] *Decent work involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.*

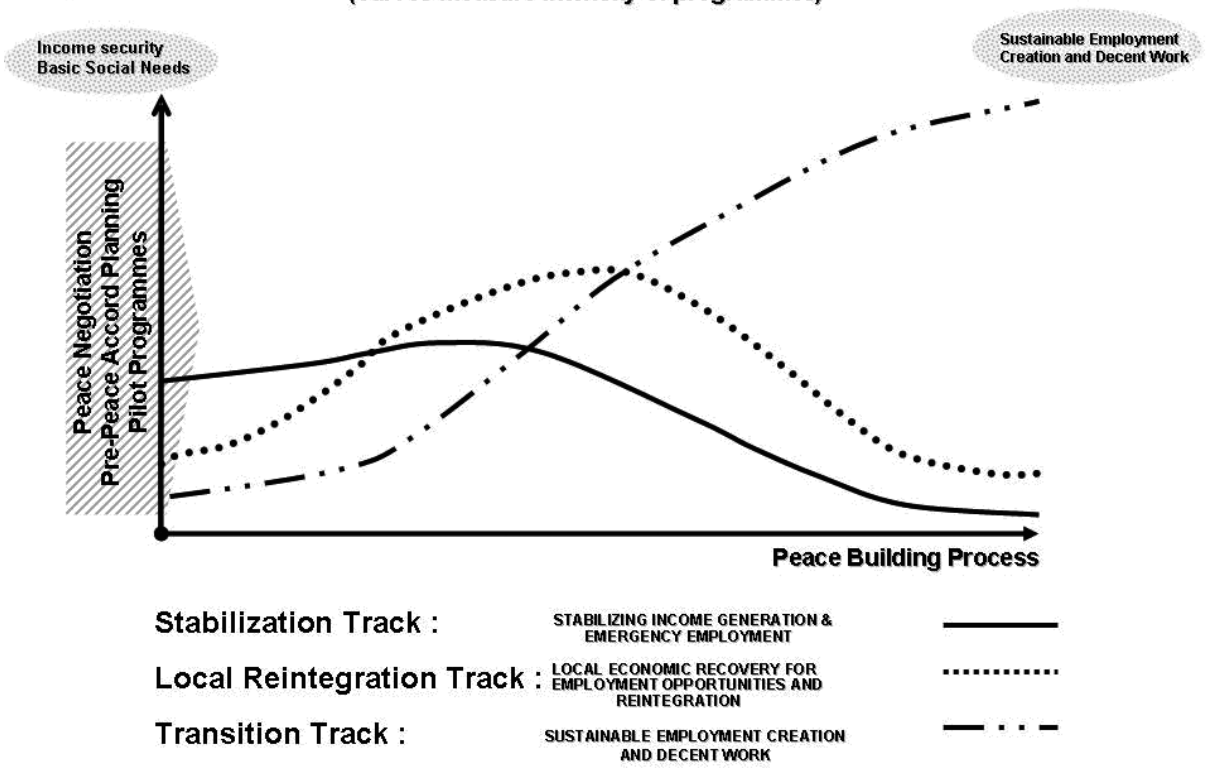
The figure below illustrates the evolving priorities of the three main tracks of post-conflict employment programming, with each track aimed at a different peacebuilding priority and a wider target group. Comprehensive strategies for post-conflict employment and reintegration programmes should always be composed of these three concurrent tracks, with interlinked programme activities. All three tracks should have an early start up, preferably during the peace negotiations. Each track however varies in intensity and duration as it responds to the local situation. While Track A and B are geared towards addressing the more urgent peacebuilding issues, Track C aims to support national capacities, strategies and policies to support sustainable solutions. Track C generally requires a longer lead-in time before being effective, since building national systems usually takes time.

Programmes should reflect the specific country situation. PCNAs and needs assessments for the Millennium Development Goals will help determine the most appropriate interventions and activities, including those for cross-cutting issues such as gender. United Nations agencies with their different expertise can be tapped, using existing coordination mechanisms. A number of valuable and relevant tools and programmes have already been developed by different United Nations agencies for use in post-conflict situations, such as the integrated peacebuilding strategies.

Monitoring and evaluation (M&E) are essential components of results-based programming, and are critical to post-conflict employment programming. In the immediate post-conflict setting, M&E are particularly challenging. Developing M&E systems and formulating indicators early on are rarely priorities after a crisis, and thus these are often done too little or too late. However, since the post-conflict setting is usually dynamic and the situation is constantly evolving, employment programmes need to be constantly monitored and adapted to the changing context, increasing the relevance, efficiency and effectiveness of ongoing and future programmes.

Figure # 1

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



INTRODUCTION

1. To reinforce its current work in post-conflict settings, the United Nations needs a coherent and effective policy for making employment a key element of peacebuilding. In a post-crisis situation, employment is vital to short-term stability, reintegration, economic growth and sustainable peace. It can: i) support ex-combatants and returnees while sustainable reintegration efforts are put in place; ii) bring home the peace dividend to communities most affected by conflict; and iii) provide the groundwork for a new development trajectory. The critical contribution of employment and income generation to reintegration and peacebuilding is now being acknowledged. However, urgent efforts are required by the United Nations, the international financial institutions (IFIs) and the broader international community to scale up current efforts and place them within a common strategic framework.

2. This policy paper responds to decision no. 2006/50 of 28 November 2006 by the United Nations Secretary-General instructing the International Labour Organization (ILO) and, within the United Nations Development Programme (UNDP) the Bureau for Crisis Prevention and Recovery (BCPR), to co-lead an inter-agency task force[2] with a view to drafting a United Nations system-wide policy paper on post-conflict employment creation, income generation and reintegration, as well as an operational guidance note on the subject. The World Bank and the International Monetary Fund (IMF) as key partners in post-conflict recovery were consulted in the process of preparing this policy. The policy contributes to the work of the Peacebuilding Commission (PBC), especially in its attempt to propose integrated strategies for stabilization, reintegration, economic recovery and development[3]. The policy is also closely linked to the goals and targets contained in the 2005 World Summit Outcome Document and the 2006 United Nations Economic and Social Council (ECOSOC) Ministerial Declaration[4]. The declaration recognizes decent work as a pillar of peacebuilding activities in the United Nations system and beyond.

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[2] *ADB, ESCWA, FAO, ILO, IMF, OHCHR, OSAA, PBSO, SRSG CAAC, UNCDF, DESA, UNDP, DPA, DPKO, UNHCR, UNICEF, UNIFEM, UNRWA and WB.*

[3] *It should be recalled that the report A more secured world: Our shared responsibility of 2 December 2004 by the High-Level Panel on Threats, Challenges and Change underscored the need for an integrated approach to peacebuilding, and the importance of reintegration and rehabilitation as an integral component of this approach and a major challenge for the United Nations. It also recognized that this has so far not received the attention it deserved in the United Nations system's post-conflict responses.*

[4] *The 2005 World Summit Outcome Document contained decisions to make the goal of full and productive employment and decent work for all, including women and young people, a central objective of relevant national and international policies, as well as national development strategies. Subsequently, the 2006 ECOSOC Ministerial Declaration on Employment Generation and Decent Work for All urged Governments, the international community and all relevant international organizations, including the United Nations system organizations, to contribute, through their programmes, policies and activities, to creating an environment at the national and international levels that is conducive to the attainment of these goals. The Commission for Social Development, in its 46th session, approved a consensus text on "promoting full employment and decent work for all", which recommended, inter alia, that ECOSOC call on Governments "as a matter of priority" to continue efforts towards ratifying and fully implementing relevant ILO conventions and core principles embodied by the Decent Work Agenda and urge the development and implementation of integrated policies and strategies that promote opportunities for youth, including those living in rural areas, to prepare for, access and retain full and productive employment and decent work, and for mainstreaming youth employment into national development strategies.*

3. This policy is consistent with and complements other inter-agency processes aiming to strengthen support to countries in post-conflict transition settings, such as those currently taking place in the Inter-Agency Standing Committee (IASC) Cluster Working Group on Early Recovery (CWGER), the United Nations Working Group on Transition, the United Nations Inter-Agency Working Group on Disarmament, Demobilizations and Reintegration (IAWG-DDR), and the other United Nations policy inter-agency task forces dealing with peacebuilding issues[5]. The policy seeks to address gaps that were also identified in these forums, in particular those related to employment and reintegration.

4. This policy contributes to a common understanding and provides a United Nations system-wide approach to employment and reintegration built around a set of guiding principles and programming guidelines designed to support programming at country level in post-conflict settings. The policy aims to help scale up and to maximize the impact, coherence and efficiency of employment and reintegration support provided to governments and people by United Nations programmes, funds and specialized agencies in these complex settings.

5. Specific attention is given to ensuring that this policy will respond to the needs and capacities of all conflict-affected groups, including widows and orphans, disabled men and women, youth, internally displaced persons (IDPs) and refugees, and other vulnerable groups. Particular attention will be given to making sure that the policy comprehensively addresses issues related to unemployed women and youth in post-conflict situations. Targeted interventions must balance high priority security concerns against longer term equity considerations. This policy aims to offer a holistic and cross-cutting framework that can be put to practice to reach specific, targeted groups but framed within a comprehensive and sustainable approach developed in the pre-peace accord or conflict phase.

6. This policy paper comprises the following sections:

   Section I : Understanding employment in post-conflict settings: key challenges and opportunities

   Section II : Guiding principles for employment creation, income generation and reintegration programmes.

   Section III : Programmes

Annexes :

1. The challenge of youth unemployment
2. The gendered challenges of post-conflict employment
3. Action points for guiding principles
4. Key concepts
5. Acronyms

7. An operational guidance note, *Employment Creation, Income Generation and Reintegration in Post-Conflict Settings*, sets out the implementation and institutional arrangements including distribution of roles and responsibilities among the different United Nations bodies in this field.

[5] *Other inter-agency task forces have dealt with gaps related to United Nations efforts to support security sector reform, rule of law and public administration, local governance, financial transparency and accountability in peacebuilding contexts.*

1. UNDERSTANDING EMPLOYMENT IN POST-CONFLICT SETTINGS: KEY CHALLENGES AND OPPORTUNITIES

Challenges

8. Employment and self-employment enable conflict-affected men and women to establish sustainable livelihoods: they are essential peacebuilding tools. Employment growth facilitates broad, inclusive recovery and is of key importance in sustaining the reintegration of male and female ex-combatants and returnees. But rapid job growth does not just happen. Promoting employment growth is difficult in peacetime, and doubly so in post-conflict situations. Conflict destroys infrastructure, stalls private investment and exports, damages the social fabric, destroys jobs and drives down wages. Post-conflict situations are also often characterized by the added burden of uncertainty and insecurity, including theft and looting. The "conflict economy" deviates public and private assets from their legitimate social and economic use, giving rise to illicit marketeering and contracts. Community and government agencies cease providing safety nets and vital public services setting the stage for humanitarian disasters. In this difficult setting, employment policy must promote more stable, inclusive and remunerative employment opportunities: jobs that both reduce unemployment and help mitigate the regional and social disparities that often fuel conflict. Although aid funded labour-intensive reconstruction can create abundant employment during the stability and relief phase this quick fix is often unsustainable. Whilst these aid funded jobs may help stabilize the immediate post-conflict situation and revive livelihoods, care must be taken to avoid negative spillovers on the local economy, in particular through transmission mechanisms that affect prices, wages and the efficient production and supply of goods and services. The main challenge for post-conflict employment policy is to effect the transition from aid supported employment generation to sustainable, unsubsidized private and public sector job growth.

9. Creating youth employment opportunities is a major challenge. The victims and perpetrators of conflict include a disproportionate number of workers in the 15-24 age groups[6]. Even in peacetime youth unemployment is often triple average rates. Youth unemployment is especially high in Africa. Not only is the post-conflict local economy too small for young workers to get their first job or start a business, but young workers are also often victims of conflict and ill-prepared to enter the labour market or start their own businesses. They may have been traumatized by war, orphaned and/or separated from family and community, and deprived of the basic education, social and vocational skills needed to succeed in business or as employees. Young workers are also of childbearing age and if parents of young children, they carry a double workload. To manage this, they need selective and targeted assistance. Young unemployed or underemployed men and women often find themselves trapped in a vicious cycle of violence, poverty, illiteracy and

[6] *The United Nations General Assembly defined "youth", as those persons falling between the ages of 15 and 24 years inclusive. It is, however, worth noting that Article 1 of the United Nations Convention on the Rights of the Child defines "children" as persons up to the age of 18. This was intentional, as it was hoped that the Convention would provide protection and rights to as large an age group as possible and because there was no similar United Nations Convention on the Rights of Youth. Many countries also draw a line on youth at the age at which a person is given equal treatment under the law – often referred to as the "age of majority". However, the operational definition and nuances of the term youth often vary from country to country, depending on the specific socio-cultural, institutional, economic and political factors. Within the category of youth, it is also important to distinguish between teenagers (13-19) and young adults (20-24), since the sociological, psychological and health problems they face may differ. See also footnote 27 in Annex 1 of this policy paper for further information.*

social exclusion. The challenge is to provide opportunities for young men and women to escape this vicious cycle through offering sustainable income-earning opportunities through either employment or self-employment in post-conflict settings.

10. Armed conflict employs and gives powers to the young, but often in a negative way. Some youth have experienced situations that required organizational and leadership skills, and a sense of empowerment through the use of force. Post-conflict employment programmes must provide positive and productive alternatives to violent and illegal activities, creating legal (though perhaps informal) jobs for young workers. Young women and girls face additional challenges and risks, including greater risk of HIV infection, rape, other forms of sexual violence and rejection by their own families and communities. Some women and girls are forced into motherhood as a result from conflict-related rape. Young people disabled by armed conflict are also particularly vulnerable and marginalized from the economy by accessibility challenges. To make the transition to viable employment or self-employment, young victims and perpetrators of conflict may need dedicated health care, skills training, counselling, childcare support, fast-track basic education or enterprise start-up grants and basic life skills.

11. Employment and reintegration need functioning markets for labour, but also for goods and services. When conflict ends, urban and rural unemployment rates are generally high in both formal and informal labour markets. Unemployment rises further as combat and illegal activities wind down. Market mechanisms that match jobs with workers may fail as the flow of information, social services and transportation is disrupted. Labour market recovery is also impaired by disruption to social relations and consequential lack of trust within communities, the inability to enforce contracts and lack of purchasing power. Security concerns may close even informal open air markets. Lack of security restricts free movement of goods and workers. Post-conflict recovery can be uneven across sectors and regions. Employment policies must start early, adjust quickly and target key bottlenecks that prevent labour and goods markets from functioning.

12. Urban and rural areas present very different challenges (and opportunities) with regard to employment and reintegration in the post-conflict context. The characteristics of basic labour markets, the levels of organization and training of labour, and the potential for employment programmes to generate desired results, all differ significantly between rural and urban areas. In most rural areas, agriculture provides most of the employment and self-employment opportunities. Efforts however, should focus on "rural" rather than "agricultural" employment growth as a means for ensuring food security, sustainable income generation and reintegration. The primary focus will often be on providing support to expand small-scale agriculture, and in particular, encouraging the insertion of conflict-affected groups into this sector. It is also necessary to broaden programme focus to include enterprise development. By doing this, it is possible to bring together support for agriculture, with managerial skills and increases in value throughout the supply chain. This change in focus can raise the contribution of agriculture to overall economic development. Where employment is generated in more productive areas it will also lessen the pressure on fragile areas. The design of appropriate policies will require input from a wide range of stakeholders, including a number of different United Nations funds and programmes. For this multi-stakeholder approach, it is necessary to work with governments on an enabling environment, including adequate safeguards in law and in practice for rural employment and income generation and a clear and stable regulatory framework.

13. Markets for labour and goods – and thus reintegration – benefit from clear delineation of individual and community property rights. Many of the world's conflicts are linked, either directly or indirectly, to questions of access to resources, including land and livelihoods. A critical challenge in post-conflict settings is therefore to ensure that strong local institutions are in place to restore access to these resources lost by conflict and displacement. This will require early strengthening of the rule of law and access to justice mechanisms, preferably already while return and reintegration take place. Conditions conducive to return and employment require not only physical security but also legal security. This entails timely, fair, transparent and equitable dispute resolution to restore land and property rights, and provide resource allocation and employment opportunities without discrimination.

14. Typically, two broad property rights issues are likely to arise: i) protecting the property rights, and in particular, the tenure security, of people in post-conflict areas; and ii) restoring the property rights of returning IDPs or refugees and/or offering fair compensation and/or alternative property resources to these people and groups. There is an emerging corpus of internationally agreed best practice with regard to property rights issues in post-conflict settings, such as the Pinheiro Principles[7] for land and property restitution. It is important that local and national institutions are empowered to examine claims related to property and land and they possess the necessary technical and institutional capacities to fulfil the required functions. Particular attention must be given to ensuring that the land and property rights, as well as tenure security of particularly vulnerable groups, such as widows and orphans, the disabled, youth and often, women in general, are recognized, enforced and protected. Young women are likely to be at a particular disadvantage in this process as prevailing ideologies of property ownership and inheritance may favour men. Of particular importance is the need to empower both local courts and community-based mechanisms that are respected by all concerned parties. Finally, so-called land grabbing by local or national elites can sometimes occur in post-conflict settings. This can both reduce economic opportunities for local populations and can be a cause of tension and frustration within local communities. The rule of law and access to justice must be aimed at protecting against such discriminatory and unfair behaviour. Wherever possible, action should be taken to highlight this risk and to support local and national institutions in their efforts to prevent land grabbing.

15. Mainly because creating sustainable wages or self-employment has been difficult, United Nations efforts to sustain reintegration have produced mixed results. Ensuring effective and sustainable reintegration as part of an overall disarmament, demobilization and reintegration (DDR) strategy has often proved to be an elusive goal. This can undermine or reverse early disarmament and demobilization achievements and fuel insecurity in post-conflict settings. While the IAWG-DDR and the Integrated DDR Standards (IDDRS) represent progress in making DDR programmes more coherent and standardized, programmes are often isolated from the socio-economic context. United Nations reintegration capacity remains limited and fragmented, and suffers from insufficient planning, coordination and resources. In addition, in cases where funding has been successfully secured, it has proved to be very difficult to sustain reintegration programmes or effectively convert them into long-term nationally-owned employment programmes. Generally, a comprehensive approach that also engages public and private sector has been missing.

16. So far, United Nations agencies, IFIs and other stakeholders have fallen short of applying multifaceted coordinated and comprehensive approaches to employment creation and reintegration. Linking employment with reintegration programmes early on requires strategic planning, good programme design and careful deployment of limited United Nations employment expertise and capacity. Starting with a United Nations system-wide approach and a longer time horizon, these programmes should build on comparative advantages of institutions inside and outside the United Nations. Currently existing expertise within the system should be exploited using shared policies, tools and good practices. For employment and reintegration strategies, policies and programmes to be effective and efficient, the United Nations must work closely with other stakeholders such as the donor community, national and local governments, international and local non-governmental organizations (NGOs), including workers' and employers' organizations, and the private sector.

17. The final challenge for the United Nations and other relief and aid agencies is to balance high priority security concerns with equity considerations, especially when targeting specific individuals or groups. This is especially relevant when implementing so-called quick impact projects (QIPs), which often focus on specific high-risk target-groups. Focus on ex-combatants can fuel resentment in communities where reintegration is taking place. Ethnic, religious and regional tensions can be aggravated if United Nations programmes appear to favour one group or region. Early on, the focus is necessarily on high-risk ex-combatants, returning refugees and IDPs both women and men, but programmes should be open to all community members as soon as possible. Inequitable access to land and inequitable distribution of natural resource revenues are frequent drivers of conflict. Peacebuilding strategies can address these equity issues by using fiscal and redistributive incentives to minimize social tensions.

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[7] *For displaced persons in particular, the United Nations Principles on Housing and Property Restitution for Refugees and Displaced Persons (the Pinheiro Principles) can provide guidance in resolving property rights issues: http://cohre.org/store/attachments/PinheiroPrinciples.pdf*

Opportunities

18. The end of conflict creates a window of opportunity for social and economic reform. Ex-combatants and victims alike often welcome the end of hostilities and are willing to "give peace a chance." Peace negotiations and the post-peace agreement phase can be opportunities to implement political and labour market reforms that improve the status of women and previously disenfranchised groups. Post-conflict employment programmes can help consolidate these gains by promoting gender equality and new opportunities for previously excluded ethnic groups. A more secure and equitable work environment can encourage public and private investment necessary for inclusive and risk reducing growth. Diversifying away from natural resource exports by expanding labour-intensive exports and tourism can be particularly important in this regard.

19. Post-conflict relief and reconstruction activities can provide young workers with their first experiences of organized work, facilitating what is commonly a difficult transition to the workplace. This is especially an opportunity for young women whose domestic obligations may previously have limited their access to work or educational activities. Women previously restricted to unpaid and informal markets may also gain access to formal, organized work. Young workers are by nature new entrants and may be more willing to move into new activities crucial to economic recovery and modernization, such as information and communication technology (ICT), tourism and modern agricultural technologies. Young workers can also be trained to staff mobile or community health clinics or to work as para-legals or teachers. Surveys reveal that jobs and access to land are ex-combatants' most frequent demands. But early gains can turn to frustration and disillusionment if employment growth stalls. As new entrants, young workers are often the first to feel the effects of downturns. Where social conflict is a threat to growth, all stakeholders have an interest in fostering a policy environment that opens growing numbers of entry level jobs and business opportunities for young men and women.

20. Investment in small-scale agricultural production can deliver multiple and rapid benefits in post-conflict settings. It can absorb labour demand, through both self-employment and wage employment opportunities. Increased local food production can reduce local food prices and increase household food security. Similarly, it can create immediate income-earning opportunities for ex-combatants and returning displaced persons and refugees. Perhaps most importantly, it can help stimulate a range of local markets (both factor input and output markets) and help kick-start economic growth. The importance of supporting agricultural sector growth in immediate post-conflict settings for both employment growth but also longer term economic growth and stability should not be underestimated.

21. The surge of aid directed to infrastructure investment can make use of labour-intensive and labour-friendly techniques. Aid funds can be leveraged by the rapid and effective employment of ex-combatants, displaced persons and returnees, for example by rebuilding feeder roads, schools and health clinics in areas most impacted by conflict. Private sector and community partnerships can upgrade ICT services and train young workers to use new technologies. Land recovered by mine action or irrigation projects can be used to demonstrate more productive technologies. DDR training programmes can introduce new business skills and technologies and create opportunities for women and other marginalized groups. Collective rebuilding of communities can help restore social and human capital as well as promote social dialogue and reconciliation.

2. GUIDING PRINCIPLES FOR EMPLOYMENT CREATION, INCOME GENERATION AND REINTEGRATION PROGRAMMES

22. As a precondition for effective employment creation, income generation and reintegration in post-conflict settings, United Nations strategies, policies and programmes should be guided by a range of principles. Experience suggests the following guiding principles are particularly important and relevant.

23. **Guiding principle 1: be coherent and comprehensive**
Employment and reintegration programmes should be approached in a coherent and comprehensive fashion, avoiding isolated and fragmented responses. Effective promotion of short- and long-term employment creation requires multifaceted, flexible and interlinked interventions, based on labour market assessments and an understanding of the evolving post-conflict setting. Interventions require coordination amongst the United Nations, IFIs and bilateral donors, building on the comparative advantages of all stakeholders. Employment interventions should be explicitly incorporated into Poverty Reduction Strategy Papers (PRSPs), plans for achieving the Millennium Development Goals (MDGs), as well as programming frameworks such as United Nations Development Assistance Frameworks (UNDAFs) and Country Assistance Strategy (CAS) of the World Bank. Employment creation and income generation should be mainstreamed and programmed from the beginning of the recovery process.

24. **Guiding principle 2: do no harm**
United Nations, donor and other public and privately financed aid programmes should avoid harmful spill-over effects on individuals, communities, society and the economy including the labour market. "Do no harm" is easier to conceptualize than to achieve as the sudden surge in aid flows to post-conflict nations results in economic distortions that are difficult to mitigate in practice. For example, programmes should minimize disruptions to the recovery of private and public labour markets. A surge in aid flows, even those driven by humanitarian concerns, can lead to wage and price inflation and a sharp appreciation of the real exchange rate. This, in turn, can discourage investment in labour-intensive agricultural, mining or forestry exports. Similarly, competition for skilled workers or managers by aid programmes can slow efforts to rebuild key private industries and slow recovery of national and local government institutions. An upsurge in wage levels caused by aid-driven employment programmes can also slow private job growth by leading to higher wage thresholds. Practical methods for doing no harm are always based on a proper assessment and analysis of the local circumstances and on the principle that aid should build as much as possible on local systems and expertise. Skills building and income generation schemes should be based on accurate market research, to be as relevant as possible. This principle requires cooperation among aid agencies and foreign investors to avoid further distortion of already battered economies. This principle also requires that the United Nations, donor and other aid programmes systematically assess the potential effect on the economy and actual employment impact of humanitarian and aid programmes, monitoring impact to create programmes that maximize job creation. Monitoring and evaluation (M&E) are particularly important given: i) the very limited institutional capacity existing in these countries; and ii) how little is known about what the most binding constraints are in this type of environment, and what policies work and under what conditions.

25. **Guiding principle 3: be conflict sensitive**
Employment and reintegration programmes must be guided by an accurate and up-to-date conflict analysis. Analysis and continuous monitoring of the root causes of conflict should be an integral part of post-conflict employment and reintegration initiatives. Reinsertion, resettlement and reintegration for example, require being aware of regional, ethnic and religious tensions as well as being careful in the adjudication of rights to land and housing. These conflict sensitive actions are often prerequisites for the reactivation of mining, construction, agricultural and forestry industries[8].

26. **Guiding principle 4: aim for sustainability**
Sustainability requires local ownership and investment in capacity development of communities as well as local and national governments. Short-term employment programmes should anticipate and complement programmes supporting the creation of longer term sustainable employment. The extent to which all three programme tracks focus early on these objectives will be crucial for enhancing the sustainability of employment and recovery.

27. **Guiding principle 5: promote gender equality**
The social dislocations and increased violence in crisis and post-crisis situations tend to have a disproportionate effect on women and girls. Although certain changes in gender roles during conflict can have an empowering effect on women, the social foundations for gender relations tend to remain largely unchanged after a conflict. Addressing gender inequalities and supporting measures that empower women require a long-term combined effort. Employment and reintegration programmes must systematically assess livelihood recovery opportunities for women and support their efforts to build new social relationships and governance systems to promote women's rights.

[8] *See footnote 6.*

3. PROGRAMMES

3.1. A COMPREHENSIVE AND COHERENT APPROACH

28. Coherent and comprehensive strategies for post-conflict employment promotion and reintegration include three tracks of programmes. Programmes in these tracks start at the same time, preceded by pre-peace accord planning. Though all three tracks are observed in any phase of recovery, their intensity generally peaks at different times in the post-conflict period. While all three tracks promote employment, their focus is different: respectively stabilization, reintegration and long-term employment creation.

a. Track A: Stabilizing income generation and emergency employment

This track of employment programmes aims to consolidate security and stability. Programmes typically target specific conflict-affected individuals. The emphasis is on short-term responses, often of a temporary nature, that provide a quick peace dividend to targeted ex-combatants, high-risk youth, returnees, IDPs, and others with urgent needs or running a high risk of exploitation or abuse, particularly women. In addition to contributing to stabilization and relief, direct employment programmes can also make first valuable contributions to reconstruction and recovery. If well designed, these programmes can help kick-start economic and social recovery and restore livelihoods. Programmes include emergency temporary jobs as well as basic livelihood and start-up grants.

b. Track B: Local economic recovery for employment opportunities and reintegration

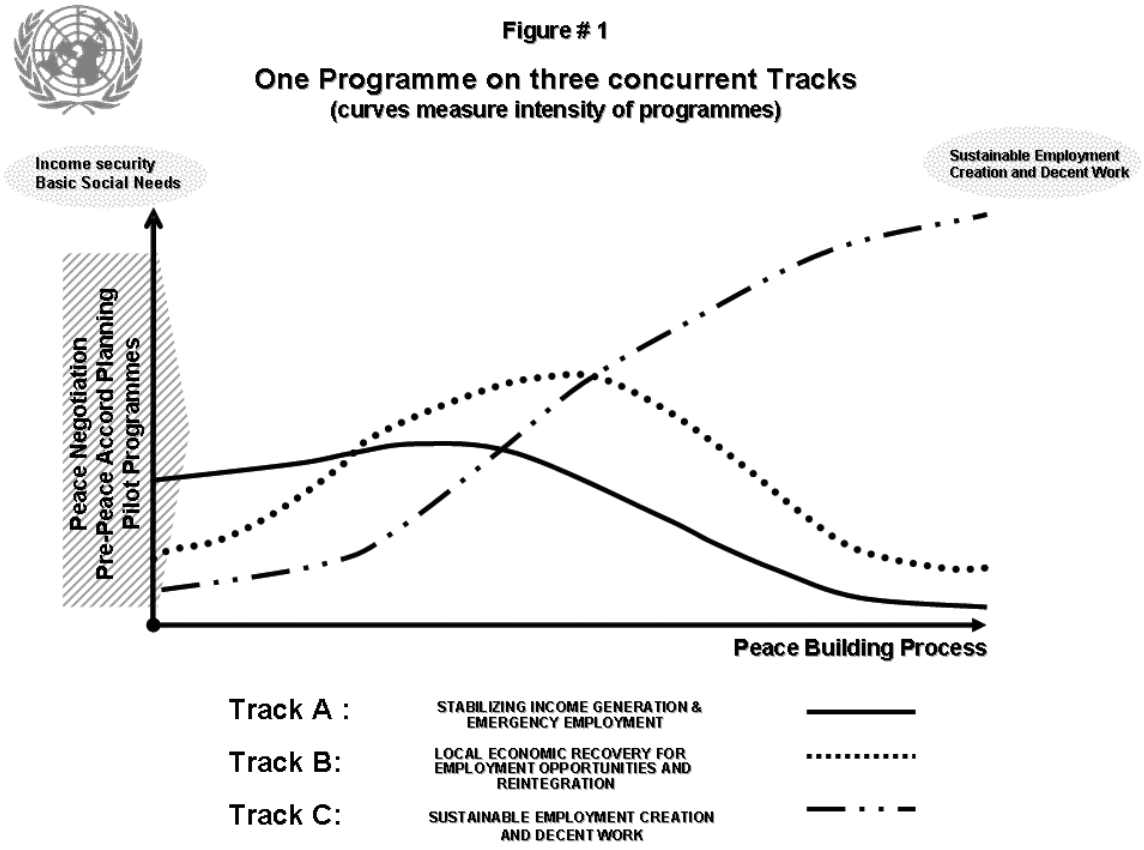
This track of employment programmes focuses on promoting employment opportunities at the local level, where reintegration ultimately takes place. Rebuilding communities provides opportunities to address root causes of conflict and facilitate longer term reconciliation. Employment creation and income generation therefore focus on investments for local recovery and reconstruction. The scope of participating economic actors is wider, and capacity and institution building become central objectives. The focus is on consolidating the peace process and reintegration. Programmes include investing in local socio-economic infrastructure, restoration of the natural resource base and local government capacity development.

c. Track C: Sustainable employment creation and decent work

This track involves support to policies, institutional capacity development at the national level and creating a framework for social dialogue to define, by consensus, "the rules of the game". These activities should also start immediately after the crisis, but intensify with increased stability and recovery. The ultimate goal is to promote sustainable long-term development that sustains "productive employment and decent work[9]", while respecting fundamental human rights, promoting gender equality and giving attention to other marginalized groups. While most interventions in this track continue to have a role as the country progresses into the development process, it is important that work in this field starts during the stabilization phase, balancing the need for quick action with the importance of sustainable impact.

[9] *Decent work involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity for all women and men.*

29. The figure below illustrates the evolving priorities of the three main tracks of post-conflict employment programming, with each track aimed at a wider target group. Initially the priority is income security and satisfying the basic needs of conflict-affected individuals with high and urgent needs, as shown on the left axis. The Track A curve reflects the immediate post-conflict emphasis on grants and cash-for-work programmes, or even food-for-work for groups with urgent needs (for example in situations of famine). The Track B curve emphasizes employment leveraged and supervised by local governments and community groups. These projects are typically subsidized, but not entirely financed, by foreign aid or local tax revenues. Microfinance targeting women household heads, for example, is scaled up at this stage. Finally, in Track C, the longer term private sector and sustainable public sector employment require strong national policies relating to labour-intensive industries, including agriculture, fisheries, forestry and service industries. Joint private sector development (PSD) initiatives may also play an important role during this stage. Note that for Track B and Track C, sustainable employment and decent work opportunities tend to develop later in the recovery phase and continue as part of a normal and uninterrupted development process.



30. Some of the activities undertaken in these three programmatic tracks are cross-cutting, such as prioritization of local capacity development, infrastructure rehabilitation and expansion, skills training, youth, gender concerns, and interventions for war-disabled, but their content may vary. On the whole, programmes reflect the specific country situation. Post-conflict needs assessments (PCNAs) and MDG needs assessments will help determine the most appropriate interventions and activities. United Nations agencies with their different expertise can be tapped, using existing coordination mechanisms. A number of valuable and relevant tools and programmes have already been developed by different United Nations agencies for use in post-conflict situations, such as the integrated peacebuilding strategies (IPBS).

31. All three programme tracks should contribute to the attainment of peacebuilding, while also contributing to social cohesion, reconciliation and reintegration. In this context, the programmes should always reflect the relevant United Nations international treaties and labour standards, such as those on equity, elimination of harmful child labour and forced labour, addressing gender-based violence, promotion of women's rights and inclusion of people with disabilities.

32. The current United Nations country team approach uses the Humanitarian Coordinator or Resident Coordinator to plan and implement the required multifaceted and integrated programmes at country level. To ensure coherence, the United Nations programme response should be guided by Resident Coordinators and their country teams, in collaboration with government, using as appropriate the cluster approach that has been established under United Nations humanitarian reform. Coordination structures should be handed over to the various national and local government agencies as soon as possible, if necessary after a capacity development effort.

33. M&E are essential components of results-based programming in recovery contexts, and are critical to post-conflict employment programming. Monitoring activities are necessary to inform day-to-day management decisions, guide adaptation to changing circumstances, and facilitate more informed and purposeful communication with stakeholders. Since the post-conflict setting is usually dynamic and the situation is constantly evolving, employment programmes need to be constantly monitored and adapted to the changing context. Acting on M&E results will increase the relevance, efficiency and effectiveness of ongoing and future programmes. The results of evaluation should inform strategy and planning decisions, provide tangible feedback to partners and stakeholders, and feed into donor reporting and resource mobilization initiatives. In the immediate post-conflict setting, M&E are particularly challenging. Developing M&E systems and formulating indicators early on are rarely priorities after a crisis, and thus these are often done too little or too late.

3.2. PRE-PEACE ACCORD PLANNING

34. Addressing the employment and other socio-economic challenges of post-conflict intervention requires preparations even before conflict ends. Often pilot job creation programmes can be started in safe areas before a full peace accord is reached. The need for employment programmes should be anticipated in the peace accord. Restitution and re-allocation of resources such as land and property should be part of peace talks and planning exercises to facilitate return and reintegration of ex-combatants and displaced persons. United Nations agencies supporting peace negotiations need to make this a high priority, enlisting the support of donor nations and other international agencies.

35. This is also the period to begin to prepare for assessments, such as PCNAs and other multilateral exercises carried out by the United Nations Development Group (UNDG) and the World Bank, in collaboration with the national government and with the cooperation of donor countries. Assessments can gather relevant information regarding employment and other socio-economic needs of conflict-affected groups and their communities in a comprehensive and coordinated fashion. This information can be used for planning timely and diverse assistance programmes. Data pertaining to employment and income generation for reintegration should be included, along with assessments of public and private sector capacity constraints resulting from conflict. Labour market conditions should be considered as one of the critical cross-cutting issues as the PCNA Review[10] recommends. This should occur in the pre-assessment stage to achieve adequate sourcing and strategic treatment of employment needs from the outset. Employment and reintegration programmes are often implemented in countries characterized by a particularly complex political economy. Despite the urgency of post-conflict situations, thorough investigations of the political economy should take place as soon as possible. This is an area that could be strengthened across all institutions.

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[10] *See UN/World Bank PCNA Review, In support of peacebuilding: strengthening the post-conflict needs assessment, UNDG, January 2007: http://www.undg.org/archive_docs/9023-PCNA_Review_Report__In_Support_of_Peacebuilding__Strengthening_the_PCNA.pdf*

36. Both external and internal displacement and other war impacts often create opportunities for acquisition of new skills as well as employment and income-generating experience by refugees and IDPs. The benefits of this experience need to be considered in programme design. During exile, most refugees are involved in employment-related projects. This includes women who had previously been restricted to small holder agriculture or household work. These projects can enhance skills, give exposure to new situations and allow access to new employment opportunities (for example, rural refugees may become urbanized during exile). Detailed socio-economic profiling of returning refugees and IDPs via interviews, which record newly acquired skills and work experience, can help in the design of post-conflict employment and income-generation schemes.

37. United Nations agencies should work with the business community in order to reactivate private investment, local entrepreneurs and markets as quickly as possible. This cooperation with the business sector, labour representatives and other relevant stakeholders can take the form of a private sector development plan, or a framework for extended tripartite (government, employers and workers) dialogue, or by encouraging the formation of business associations. To encourage foreign investment a special trust fund might be established to insure specific projects against political risk. Even during peace negotiations, there is a need to identify those who can support the peace process, as opposed to potential "spoilers". This is important to create trust and promote domestic investment.

3.3. GUIDANCE ON THE THREE PROGRAMMATIC TRACKS

Track A: Stabilizing Income Generation and Emergency Employment

38. This programming track responds to the urgent needs of conflict-affected groups, providing food, health services and security. Balancing security and equity priorities, benefits should be extended to those remaining and to hosting communities for returnees as soon as possible. This programming track contributes directly to the implementation of peace agreements. By applying basic standards, humanitarian and other actors involved in early employment creation programmes can lay the foundation for longer term peacebuilding. They can provide employment and enhance the skills and participation of vulnerable groups. They can also assist local institutions in delivering social services. Whilst the principles remain similar, the nature, challenges and opportunities for this type of short-term employment generation may vary significantly between urban and rural areas.

39. Assistance in this track targets high-risk conflict-affected individuals and those with urgent needs. Emphasis is placed on ex-combatants, returnees, IDPs, youth, women and other vulnerable groups.

40. Reinsertion as well as reintegration of demobilized combatants and displaced persons (refugees and IDPs) presents unique challenges. As they return to their communities and while recovering from psychological distress and physical trauma, refugees and IDPs need to rebuild livelihoods quickly through restitution of land, housing and other property. Lack of social support to overcome social exclusion and stigmatization can trap people in poverty. If ex-combatants – including women, men, children and youth associated with armed groups and forces and disabled – cannot be shifted from the army, rebel and para-military groups into alternative employment or income-generating activities, they will continue to pose a serious threat to society and the peace process. Even after disarmament and demobilization they could be recruited into fighting forces or armed gangs. Employment is critical for reintegration into civilian life. Uprooted from their communities and having lost their assets, most have been exposed to war trauma and violence, sometimes sexual and gender-based violence, or have become disabled. Yet they may also have acquired new skills and competencies that can be tapped during the reconstruction and recovery process.

41. Though programmes in this track are primarily targeted at individuals who pose a risk to security and/or who are in urgent need, it is important to be inclusive, introducing explicit measures to ensure that groups with specific characteristics or vulnerabilities have adequate support and equal access. These groups include women and girls (in particular widows and victims of sexual and gender-based violence), adolescents and those with disabilities. The post-conflict period is a window of opportunity for advancing equity and social justice.

42. The main goal of this programming track is to achieve immediate post-conflict income generation, as this is vital to a secure and safe environment for peacebuilding. This track also provides for immediate basic needs and quickly restores key public health, security, sanitation and basic business services.

43. Key programmes in this track are QIPs, which include emergency temporary jobs and basic livelihood and start-up grants.

Emergency temporary jobs

44. Emergency temporary jobs are short-term jobs that redirect people from destructive to constructive activities. These include cash-for-work, emergency employment services and short-cycle training. They provide quick cash incomes and may stimulate the development of new skills and economic activities. Emergency temporary jobs have to balance high priority security concerns with equity considerations, especially when targeting specific individuals or groups. Also, since these jobs are mostly fully subsidized by the donor community, they will have considerable effect on the labour market.

a. Cash-for-work projects are small, rapidly implemented projects that make target groups benefit quickly from the peace dividend. In this phase there is a risk of humanitarian crisis. Short-term income-earning opportunities can be generated by mobilizing the unemployed, including women and youth to clear debris, repair infrastructure, etc. In rural areas, cash-for-work projects can help re-establish or increase agricultural production, restore the natural resource base, rebuild damaged or missing rural infrastructure and foster or strengthen market linkages. The immediate benefits for income and/or food security can diminish the likelihood of long-term food aid needs in both rural and urban areas, and can provide an important base for longer term recovery and rehabilitation. In many instances, similar food for work or related food-voucher schemes may also be considered, particularly in areas with high levels of food insecurity and/or where markets are disrupted. Community infrastructure projects around refugee and IDP camps also provide income-earning opportunities. These infrastructure repairs are simple and do not require much equipment. The emphasis is on rapid income enhancement that enables people to commence rebuilding their lives. Encouraging women to participate in infrastructure projects can expand their marketable non-traditional skills for later employment opportunities. Women's participation can be promoted through practical measures such as the provision of childcare, separate toilet facilities and safe mobility to and from the worksite. An additional benefit of these programmes is to restore the availability of basic services. Quick rehabilitation can help reduce extreme poverty, especially if assistance targets those areas to which refugees and IDPs are returning on their own. This allows the population in targeted areas to take advantage of development opportunities even at the earliest stage of a post-crisis situation.

b. Emergency public employment services (PES) can provide an important bridge between job seekers and employment opportunities. PES can help direct workers to larger scale public works that provide crucial services in the aftermath of a crisis. PES can also help when employment needs are pressing and labour supply and labour demand are changing rapidly. Typically, large numbers of people have lost their jobs and sources of livelihood, while others – youth, demobilized combatants, war widows and refugees – may need to find income generating activities for the first time. PES are particularly relevant for identifying immediate job opportunities through rapid assessments and for matching job seekers with vacancies, for example in public works programmes.

c. Short-cycle skills training targets vulnerable groups who have inadequate skills to benefit from employment opportunities emerging in the post-crisis setting. Training usually addresses the immediate needs of humanitarian and development agencies in the areas of construction, transportation, education, health and security.

Targeted livelihood and self-employment start-up grants

45. Targeted livelihood and self-employment start-up grants aim at those most affected by conflict. Loss of assets (such as livestock and seeds) is common in the post-conflict context, and traditional skills may also be lost when people are displaced for a long period. Without direct assistance, it is often difficult for livelihoods to replace these lost assets. Programmes target high-risk groups and groups with urgent needs and aim to help them return to or rebuild their livelihoods, tapping into immediate emerging opportunities. Programmes must be mindful of creating space as well as an enabling environment for the recovery of the private sector and avoid as much as possible permanently substituting for existing commercially-viable activities. Programmes may focus on the immediate reconstruction of road and transport networks that facilitate the recovery of rural livelihoods and access to markets for agricultural products. Microcredit instruments may be useful for reviving social and local economic networks.

46. Cash aid helps re-monetize and boost the stagnant economy and rebuild livelihoods following conflict. Cash-for-work gives individuals autonomy, a principal casualty of forced displacement, and one not addressed by in-kind humanitarian assistance. If security is adequate and goods markets are working, cash aid can be more cost-effective than in-kind distribution. Cash spending spreads economic benefits widely, rather than making central purchases from a few, large-scale traders. The effects of cash aid need to be closely monitored, especially the potential inflationary impact on prices and wages. Phasing out of food and other in-kind aid in favour of cash aid should be paced with the gradual (or rapid) recovery of local markets. Of course, investments in infrastructure and support for an open business environment can accelerate recovery of the private sector.

47. Even though the employment and income-generation programmes in this track are short-term, they also need to be conflict sensitive and can lay the foundation for longer term employment generation. Security and relief concerns as well as speed should not come at the expense of equity or neutrality. Using available labour market information, even rudimentary information, and PCNA data to capitalize on evolving labour market conditions can also improve these programmes, so that they do no harm and their chances for sustainability increase. It is also important to assess to what extent long-term displacement has caused loss of former skills, including traditional skills. Tracking programme participants, such as demobilized combatants, can help prevent social tensions that may emerge with other groups. The large volume of aid provided in the immediate aftermath of a crisis can distort the labour market, creating a big wage gap between the United Nations enclave and local institutions. This gap can deplete the skilled labour force available to the latter. Agencies should act in a coherent way and coordinate wage setting, avoiding both exploitation and overpayment. Food aid should also be monitored so that it does not create a disincentive for local food production and prolong the period of dependence.

48. Partners include peacekeeping, humanitarian and development agencies within the United Nations system, as well as other international organizations, and both local and international NGOs. Government and other local institutions including associations of conflict-affected groups could be engaged to facilitate delivery of services early on. In some post-conflict countries, social protection institutions can be engaged to distribute cash payments and assist aid organizations in either better targeting or in broadening the scope and improving the equitable distribution of this type of assistance. Contact with selected entrepreneurs in important sectors might also be initiated at this stage to begin to assess future employment possibilities.

Track B: Local Economic Recovery for Employment Opportunities and Reintegration

49. Programmes in this track support reintegration, reconciliation and long-term recovery by creating opportunities at the local level for wage employment and self-employment. As part of an area based development approach these programmes seek to reactivate the local economy by combining three types of interventions: i) local capacity development; ii) community driven recovery (CDR) programmes; and iii) local economic recovery (LER) measures.

50. Target groups in this programming track are those rural and urban communities, local governments and other authorities that are important for conflict-affected groups. Priority needs to be given to the communities and local authorities to which ex-combatants and displaced persons choose to return. Targeting entrepreneurs in competitive business environments can generate employment opportunities. As is the case for every intervention in post-conflict situations, these programmes must be administered carefully, as resource allocation can exacerbate tensions if perceived as unjust. In many rural areas re-establishing agriculture can represent one of the best opportunities for absorbing target groups, for strengthening household incomes and food security and for stimulating economic growth in post-conflict areas.

51. The main goal for this track is to contribute to establishing an enabling environment at the local level (public and private). This includes ensuring that institutions possess the necessary technical capacities and knowledge, that an appropriate regulatory environment is in place, that market linkages are established and that the required resources are in order to create long-term employment growth and income-generation opportunities. This enabling environment at local level thereby facilitates the disarmament, demobilization and reintegration of ex-combatants and the establishment of sustainable livelihoods for returnees and other vulnerable groups, including youth and the disabled.

52. Key programmes in this track include: i) capacity development of local governments and other local authorities and institutions (including customary institutions), providers of business services and other associations; ii) CDR programmes comprising participatory investments in local socio-economic infrastructure and social and productive programmes; and iii) LER measures consisting of consultations with community groups regarding private sector development and direct employment support services such as credit services.

Capacity development

53. In this track, the focus is on developing national and local capacities for basic service delivery and employment opportunities at local level, not creating parallel structures. If local governments do not yet have the capacity, it may be that for "quick win" programmes there is a need to involve a third party to assist with local level programme management. Capacity development should focus on both rural and urban environments, since the two have different needs in terms of institutional strengthening and implementation of programmes. For sustainability, programmes should not place heavy administrative burdens on government structures and should build national ownership behind employment generation. This can be done by involving civil society organizations in the identification of needs and programmes.

54. Traditional authorities can play an important role in dispute resolution, particularly with regard to access to property and other natural resources (such as forestry, fishing and grazing land). By focusing on gender equality and the inclusion of vulnerable groups while developing capacity of these traditional authorities, these programmes can help build important linkages with government and/or other non-traditional power structures and institutions at the local level that may also be important in terms of the sustainability of employment and reintegration. Prior to working with these authorities and investing in their capacity, a careful conflict assessment should have been made so that reconciliation is indeed promoted. It is also necessary to make special efforts to ensure that women and youth are equal beneficiaries of any distribution processes.

55. It is important to redevelop the capacity of local productive associations to provide business services. These organizations include farmers' organizations, cooperatives, business development services, female and male entrepreneurs, informal savings and credit associations, and many others. Members of staff need to be trained in institution building, organization management, accounting, negotiation and consultation, as well as delivering business support services.

56. The capacity of community-based organizations (CBOs) needs to be redeveloped so that they can help assess what their constituents need to secure employment or start a business. These groups can also help reconciliation and reintegration. They can facilitate integration as they can play a dedicated role in association building, marketing advice, and undertaking livelihood support activities that target communities or groups.

Community driven recovery programmes

57. CDR programmes support the recovery and rebuilding of social and economic capital, such as community networks, local agricultural production, education, health facilities, and local physical infrastructure including roads and bridges. External resources are allocated after a participatory needs assessment[11], is conducted through a decentralized community decision making process. This decentralized approach for setting spending priorities improves the allocation of resources and empowers local communities. For the CDR approach to be sustainable and effective, it should engage a wide range of existing stakeholders, including government and community associations. This approach complements the capacity development discussed earlier, provided it does not create parallel institutions.

58. CDR programmes are particularly relevant in peacebuilding settings because they curb tensions through participatory and inclusive dialogue. Yet, equally important – and sometimes conflicting with the process – are rapid and visible results. If the participatory process does not deliver this peace dividend quickly, peacebuilding efforts will be undermined.

59. As part of the local economic recovery process, demand for infrastructure will grow and become more complex. There may be a role for labour-intensive methods for the development of infrastructure in support of productive sectors (for example. the construction or repair of drainage and irrigation systems for agriculture). This may also be useful for the construction of feeder roads, small bridges, rural schools, hospitals, community centres, railways, health clinics and other interventions to promote sustainable agriculture, including restoration of the natural resource base (such as land, forestry and water). Sources of drinking water and irrigation schemes may also suit labour-intensive methods. These ongoing projects can contribute directly to economic recovery as they generate employment and income. The roads and communications built by these projects can help to integrate regions split apart by war. Labour-intensive infrastructure programmes emphasize social acceptance and community participation, including that of women. This participation can help mitigate potential causes of conflict, including access to water, land or other natural resources. Project planning via social dialogue builds trust and consensus among local residents. Labour-intensive methods also help to develop technical skills, including planning, negotiation and decision making, empowering individuals and communities. Finally, these projects "build peace", as working together to achieve a common goal creates social cohesion. For some projects, the labour-based approach is cost-effective, especially when social benefits are considered.

Local economic recovery measures

60. LER provides communities with mechanisms to restart quickly local economic activities by maximizing inclusive employment opportunities derived from post-crisis investment. In post-conflict settings, LER can make employment growth more inclusive, a cornerstone of effective reconciliation. Facilitating access to knowledge is both one of the most fundamental benefits of community-based approaches for economic recovery and one of the most important determinants of their success. Mechanisms to facilitate local participation – which is essentially the second pillar of LER – include creating forums for engaging local stakeholders, and contacting local service providers for identifying and matching people with employment opportunities.

61. Because of the importance of quick results, LER programmes should start with small-scale livelihood activities related to productive activities, progressively expanding scope as resources and institutional capacities increase. Starting small is also consistent with the limited resources and capital available in post-conflict settings. Small-scale projects, for instance in agriculture, also enable distribution of resources amongst a larger number of groups, thus avoiding potential complaints of favouritism in contentious post-war environments. Small-scale, demand-driven investments enhance flexibility, avoid exaggerated expectations, and enable communities to build on proven successes.

[11] *Recent initiatives to introduce an integrated livelihoods approach into needs assessments methodologies will deepen understanding of the importance and contribution of self-employment and wage employment in post-conflict settings.*

62. The choice of sectors when supporting LER projects is of key importance. In the immediate aftermath of conflict, projects should target economic sectors that: i) are essential to post-conflict recovery; ii) have multiplier effects for the larger economy; and iii) are likely to attract donor and government funds. Agriculture, fishing and construction, as well as support industries and local trade networks are generally the most appropriate for post-conflict economic recovery. Efforts should be made to make sure donor budgets for infrastructure reconstruction and rehabilitation contribute to the development of local construction capacity and to the revitalization of the agro-sector. Alongside the agriculture, fishing and construction sectors, a third area of economic activity of great importance in the immediate aftermath of war is that of servicing the donor community. Large post-war inflows of humanitarian assistance and development aid can provide significant opportunities for livelihood support.

63. The post-conflict LER response should be used as a window of opportunity to assist in the introduction of creative and value adding income-generating activities (such as high-value crops, agro-business, food processing, renewable energy technologies, ICTs, public-private enterprise, funds to support skill based self-employment, tourism and exports).

64. Financial development and microfinance programmes should be part of a longer term process of developing an inclusive financial sector[12] reaching all key groups in a community. Savings and credit schemes, money transfer services and/or micro-insurance can reach those lacking access to formal financial markets[13]. Global experience has demonstrated that microfinance can be implemented successfully in post-conflict environments[14]. Recent United Nations led experience indicates that an inclusive, financial sector development approach to building sustainable access to financial services can be initiated in post-conflict settings[15]. Three pre-conditions are so important that microfinance should not be undertaken when these conditions are not met: i) sufficient political stability; ii) sufficient economic activity that can use credit services; and iii) a relatively stable client population. In addition to these essential pre-conditions, there are three preferred conditions that can facilitate microfinance activities. They include more or less functioning commercial banks, a minimum level of social capital and trust, and minimal levels of macroeconomic stability (inflation and interest rates, for example).

65. For sustainability, links between the local economy and other district economies and national economic recovery strategies have to be promoted and integrated. Both networks within communities as well as between communities are important. Links between the community and the local, regional and national government generate useful knowledge on regional conditions, opportunities and threats, and economic synergies. A supportive policy environment – as addressed in the transition track – is critical, including adequate regulation of the financial and credit sectors; supportive business, tendering and export promotion policies; sound taxation regimes; and judicious investment of public funds.

66. As this programmatic track is the most sensitive and critical for reintegration, there are several key issues and risks. The challenge is to produce tangible results quickly, while creating local systems necessary to support sustainable employment and reintegration, which, by definition, take time. Trust within communities needs to be rebuilt before they can function as engines of development and reintegration. While trying to identify and exploit new activities, programmes should also capitalize on what already exists. This is why it is important to start by mapping local resources and opportunities. A comprehensive mapping exercise of the local governments, livelihoods, assets, and resources for income generation, undertaken with local governments and by community groups, should be the starting point for all programmes.

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[12] *See UNCDF and UNDESA, Building Inclusive Financial Sectors for Development, May 2006: http://www.uncdf.org/english/microfinance/pubs/bluebook/index.php*

[13] *See ILO Thesaurus 2005, and Consultative Group to Assist the Poor: http://www.cgap.org*

[14] *See CGAP, Supporting Microfinance in Conflict Affected Areas, Donor Briefing 21, December 2004: http://www.cgap.org/p/site/c/template.rc/1.26.2202; the Micro-enterprise Best Practice series on Microfinance Following Conflict, in particular Brief No. 4, Environmental Preconditions for Successful Post-Conflict Microfinance: http://www.microfinancegateway.org/files/14557_14557.pdf*

[15] *For instance in Sierra Leone and Liberia, see http://www.uncdf.org/english/microfinance/sectorDev/index.php*

67. In addition to local communities and local governments, partners include a wide range of development agencies within and outside the United Nations system, the World Bank, for private sector development the Multilateral Investment Guarantee Agency (PSD-MIGA), and non-governmental bodies both local and international. Government and other local institutions including associations of conflict-affected groups are to be engaged early on. In some post-conflict situations, local government institutions can be engaged from the start to plan and implement local economic recovery and support employment and reintegration. Where this is not the case, capacity development efforts should be directed at these structures as soon as possible.

Track C: Sustainable Employment Creation and Decent Work

68. A national enabling environment for employment and decent work is essential to sustain employment and reintegration progress achieved by the previous tracks. Since poverty and inequality are often key causes of conflict, employment programmes should pay particular attention to social inclusion and poverty reduction. Job creation and reintegration programmes targeted at individuals and communities (stabilization track and local reintegration track) need to be supported by national systems and policies that create an environment conducive to employment growth. Post-conflict social tensions make it especially important to use social dialogue among key players to secure broad agreement on policies, as well as on legal and institutional reforms. The MDGs and international labour standards along with other relevant international treaties and agreements[16] can provide useful guiding principles for these reforms and consultations. Because the consensus building and policy development phase can be a long process, enabling programmes and policies need to be initiated early and implemented in parallel with the programmes under the stabilization track and the local reintegration track. Only then can early employment gains be sustained and broadened.

69. Fostering an enabling environment for long-term employment creation and decent work involves: i) developing and adopting national and sectoral policies most relevant for employment; ii) supporting private sector development; and iii) consolidating employment through promoting a process of social dialogue to define the rules of the game. These rules will include appropriate labour and productivity standards and the dialogue may be tripartite or with more parties.

70. The target groups in this programming track are all formal and informal labour market participants, private sector employers and employees and a wide range of stakeholders involved in social dialogue, including representatives of marginalized and vulnerable groups.

71. The main goal for this track is the sustained growth of high quality employment via enabling macroeconomic, sectoral, legal and institutional programmes. Quality employment includes targeting particularly high-risk and vulnerable unemployed groups.

72. Key programmes in this track include: i) support to macroeconomic and fiscal policies, to active labour market, labour law and investment policies, and to employment-generating sectoral policies; ii) support for financial sector and business development services; and iii) promoting labour-related institutions that enhance employability, social protection and other aspects of labour administration. These programmes should be supported and vetted by social dialogue between tripartite constituents and other relevant stakeholders, to promote consensus on labour market policy as well as legal and institutional reforms.

Support for employment policies

73. For creating an enabling policy environment for sustained employment growth, United Nations agencies, IFIs and civil society groups should assist national and local governments in setting policy priorities and developing new policies. An inclusive national dialogue including all stakeholders (social partners and beyond), will enhance ownership and programme effectiveness, thereby contributing to peacebuilding. This dialogue and these partnerships, which the United Nations is well placed to support, can create a policy environment that balances growth with respect for fundamental rights and social security. Social dialogue is especially relevant in post-conflict situations as it can contribute to the social healing process, to peace education and negotiation of key economic and social issues, including property rights.

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[16] *CEDAW, CRC, SCR 1325, ILO Tripartite Consultation Convention No. 144, 1976.*

74. To support this social dialogue, the United Nations has a role in stakeholder capacity development. Often severely weakened by conflict, government, workers' and employers' organizations may need support so that they can be more effective. If workers' and employers' organizations were not present or effective before the conflict, the United Nations can support, build or reform them. These actors are of key importance in reversing the adverse effects of the conflict on employment opportunities, workplace structures and relations, working conditions and labour-related institutions.

75. In the early stages after conflict, macroeconomic management should give high priority to fiscal and monetary stabilization. In this phase, financing fiscal outlays necessary for the restoration of a secure environment for public and private economic activities is clearly a top priority for the government. However, moderate to low inflation helps stabilize prices and restore confidence in local currency and credit markets, a key pre-condition for the growth and investment necessary to sustain peacebuilding. Much debate over the pace of employment generation focuses on an implied trade-off between inflation and unemployment. A larger fiscal deficit may raise inflation but increase employment, for example. Data on post-conflict employment growth are scarce, but recent post-conflict recoveries are characterized by a wide range of inflation and per capita income growth outcomes. In many recent post-conflict recoveries, inflation tends to drop from high double-digit rates during conflict to lower single-digit inflation, even as output grows rapidly[17]. This trend may reflect the existence of significant unused capacity in labour and goods markets and a better international environment, particularly with respect to aid and trade. A post-conflict surge in aid inflows eases inflation-output trade-offs since the impact of fiscal deficits is mitigated by aid inflows[18]. In this environment the focus of macroeconomic policy for enabling rapid employment growth shifts to managing the surge in aid inflows and to finding a suitable sectoral allocation of aid and domestic budgetary spending to maximize employment.

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[17] *Average inflation for Angola, Chad, Cambodia, El Salvador, Ethiopia, Guatemala, Liberia, Mozambique, Nicaragua, Rwanda, Sierra Leone and Uganda declined from over 70% in the 1980s to about 8% during the past decade while average per capita growth rose from about 1-2% to over 3%. Behind these averages lies a range of outcomes. Emerging from conflict Cambodia grew at 5% annually with 5% inflation while Angola and Mozambique grew at 4% with 42% and 1009% inflation respectively. Since 2000 inflation fell to single digits for all of these countries except Angola (55%). The short-term impact of stabilization on employment is also a subject of some controversy. J. Heintz (2006) provides some evidence sharp disinflations slow employment growth, especially for women, while N. Staines (2004) argues that in sub-Saharan Africa "the stronger stabilization effort, especially with respect to inflation, has been an important factor underlying the stronger post-conflict recovery of growth observed in the 1990s." The emerging consensus is that targeting inflation rates below 5% may damage employment creation in the short term, while inflation rates in the 5-15% range are consistent with sustained employment growth, see D. Goldsbrough et al., Inflation Targets in IMF-Supported Programs, Center for Global Development's Working Group on IMF Programs, March 2007:*
http://www.cgdev.org/doc/IMF/Inflation.pdf; J. Heintz, Globalization, economic policy and employment: Poverty and gender implications, ILO Employment Policy Unit, 2006:
http://www.ilo.org/public/english/employment/strat/download/esp2006-3.pdf; T. McKinley and D. Hailu, The Macroeconomics Debate on Scaling up HIV/AIDS Financing,Policy Research Brief No. 1, IPC, UNDP, September 2006: http://www.undp-povertycentre.org/pub/IPCPolicyResearchBrief1.pdf; N. Staines, Economic Performance over the Conflict Cycle, IMF, 2004: http://www.imf.org/external/pubs/ft/wp/2004/wp0495.pdf; J. Clement ed., Post-conflict Economies in Sub-Saharan Africa: lessons from the DRC, IMF, 2005.

[18] *Also see paragraph 78 in this policy paper, "Employment growth through surges of aid can be sustained longer if fiscal spending, monetary and exchange rate policy are managed carefully."*

76. Aggregate wage bill ceilings and monetary targets must be used with caution in post-conflict environments: central banks response to the demand for money can result in high inflation and a shift toward the use of foreign currencies for day-to-day transactions ("dollarization"). However, post-conflict stabilization is not necessarily synonymous with restrictive fiscal and monetary policy. On the contrary, capital account movements, including remittances, aid inflows, foreign direct investment and repatriated flight capital may favour the financing of outlays for demobilization, infrastructure investment and emergency employment programmes without undue pressure on the fiscal situation. In the immediate post-conflict setting, wage bill ceilings for example may be particularly inappropriate if the public sector becomes, temporarily, an employer of "first resort" for security reasons[19]. Similarly, rapid recovery of private sector employment may require monetary expansion if workers are paid in local currency. Aid financed imports, for example, can hold down prices of key food products, mitigating shortages that may put upward pressure on wages. There is no pre-set formula or single monetary or fiscal policy mix best suited for achieving these macroeconomic outcomes: economies emerging from conflict face a wide variety of macroeconomic challenges and opportunities. The one certainty is that conditions will evolve rapidly once peace and security are restored. United Nations agencies, in cooperation with the national government and Bretton Woods institutions (BWIs), need to quickly develop capacity at the central bank and treasury, as well as consult with the private sector, labour and local government groups to forge a common medium-term strategy. While budgeted aid funds need to be utilized to meet donor stipulations, United Nations agencies have some latitude in how and when aid funds are converted to local currency. For example, paying wages in local currency can provide the necessary liquidity for local business and credit markets. But if inflation is high, the use of foreign currency to pay these wages can help stabilize prices and the exchange rate.

77. While central bank independence may be the long-term goal of current macroeconomic prescriptions, management of considerable aid inflows requires close coordination of fiscal and monetary policy. In a post-conflict environment it may take some time for the central bank to resume normal operations. During this interim period, consultations between government, the United Nations, BWIs and private sector representatives can help provide practical insights as to the priorities that need to be pursued in the short term and the long term. The goal of this coordination should be to maximize the benefits of aid by raising fiscal spending in areas where it can "crowd in" private investment, such as infrastructure repair and upgrades. Employment creation may be limited by the local private sector's ability to expand capital investments to respond to profitable opportunities. Stable or falling prices of skilled labour, foreign exchange and goods and services are one indicator of adequate private sector capacity to absorb additional aid driven spending in local currency, hopefully with positive effects on local employment. With this changing economic landscape in mind, information on local prices, wages and currency trading should be gathered and distributed among United Nations agencies and donors, monthly if possible. United Nations agencies and donors may also be able to support the monitoring of prices, wages and employment opportunities while the government agencies normally charged with these tasks recover. UNDP country offices can and do support economic management capacity development in ministries of finance, central banks and other economic management-related institutions.

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[19] *The role of caps on public sector wage outlays when aid is being scaled up post-conflict or to deal with health emergencies in Africa has been the subject of considerable debate. While arguing these public sector employment limits have not limited aid absorption, the IMF has recently scaled back the use of these restrictions, see IMF Trims Use of Wage Bill Ceilings by M. Verhoeven and A. Segura, IMF Survey Magazine: Policy, September 5, 2007: http://www.imf.org/external/pubs/ft/survey/so/2007/POL095A.htm; A. Fedelino, G. Schwartz and M. Verhoeven, Aid Scaling Up: Do Wage Bill Ceilings Stand in the Way?, IMF WP 06/106, 2006: http://www.imf.org/external/pubs/ft/wp/2006/wp06106.pdf . Others argue wage bill ceilings have inhibited aid absorption, see T. McKinley, Why Is Africa Constrained from Spending ODA?, UNDP-International Poverty Center, One Pager No. 34, 2007: http://www.undp-povertycentre.org/pub/IPCOnePager34.pdf and D. Goldsbrough, The IMF and Constraints on Spending Aid, UNDP-International Poverty Center, One Pager No. 35, 2007: http://www.undp-povertycentre.org/pub/IPCOnePager35.pdf. See also the report of Center for Global Development, Working Group on IMF-Supported Programs and Health Spending, 2007, http://www.cgdev.org/doc/IMF/IMF%20report.pdf , and background papers on Mozambique, http://www.cgdev.org/doc/IMF/Mozambique.pdf, and Rwanda, http://www.cgdev.org/doc/IMF/Rwanda.pdf.*

78. Employment growth through surges of aid can be sustained longer if fiscal spending, monetary and exchange rate policy are managed carefully. As domestic fiscal revenues recover, governments can choose to reduce the public debt or build up reserves to provide sustained multi-year funding of public investment programmes (such as those related to the funding of community development programmes in the local reintegration track). Rapid disbursement of aid matched by high levels of fiscal spending can lead to a high real interest rate or an overly strong real exchange rate. This can crowd out agricultural and labour-intensive exports and discourage tourism and foreign investment in export-oriented industries. Crowding out can also reduce future fiscal revenues. Inflation caused by rapid conversion of aid to local currency can also disrupt local microfinance institutions as discussed above. While amortizing a post-conflict surge of aid inflows may be an impossible challenge, macroeconomic policies can be used to strike a balance between using aid to purchase imports (limiting exchange rate appreciation) and using aid to finance increased government spending. It is encouraging to note that several post-conflict countries (for example Uganda, Mozambique and Ethiopia) have managed aid surges without damaging macroeconomic side effect[20]. Direct consultations with officials of those countries who have managed successful post-conflict macroeconomic policies, without compromising employment growth, can be supported.

79. As stabilization goals are achieved and the private sector recovers, macroeconomic policy should focus on employment creation both through resource mobilization and efficient sectoral allocation of resources. Donors and NGOs make analogous decisions when deciding whether to purchase imported inputs or labour, or to purchase goods and services locally. Early on, a lack of local suppliers and workers may force United Nations agencies and donors to rely on imports. Even before the local economy fully recovers, the employment impacts of aid spending can be enhanced by actively promoting or seeking local suppliers. This can, for instance, be done in regions less affected by conflict. Aid conditional on import purchases ("tied aid") can reduce employment creation, unless it is spent on goods or services that would be imported anyway, freeing up other funds to be spent locally or on other imports. For example, spending aid on imports of electrical generators, pumps or fertilizers can speed the recovery of local urban and rural economies, especially agriculture. Similarly, imports that alleviate local shortages of goods and services can raise economic growth, real wages and ease inflation pressures, thereby speeding the recovery of credit markets. As the local economy recovers, the employment benefits of spending aid in local currency increases. In the immediate post-conflict settings, United Nations agencies and donors should support the exchange of market information, such as lists of local suppliers. They should also assess where it is necessary to build capacity in local business organizations to assist local firms in obtaining and following through on aid related contracts. Well monitored and transparent public-private partnerships can leverage aid dollars and accelerate recovery of the local economy.

80. Early in the post-conflict period the public sector may find itself the employer of first resort, as public sector jobs can be a cost-effective way to occupy ex-combatants and protect victims of conflict. Direct employment as security personnel for example, can be a more effective option than severance payments, especially if it is important to monitor ex-combatants. However, as the private economy recovers, severance payments combined with some training and job search services may be more appropriate. Public sector wages should be high enough to discourage corruption and build professionalism, and be in line with comparable private sector jobs to the extent possible. As the economy recovers and the threat of renewed combat ebbs, the public sector must bring total public sector employment in line with sustainable local plus aid revenues. In contrast to the early stages of post-conflict recovery, scaling back public sector employment may call for caps in lower priority sectors and redirecting public sector employment to priority sectors related to public security, and for example, to the health and education MDGs.

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[20] *See the case studies for these countries included in A. Berg et al., The Macroeconomics of Scaling up Aid: Lessons of recent Experience, IMF Occasional Paper No. 253, 2006. In some cases, if a fear of negative consequences leads to caution in conversion, as in the case of Mozambique 2000-2003, "Because of the failure of the real exchange rate to appreciate, there was no ex-post evidence of the Dutch Disease. However, to the extent that a lack of aid absorption may have been driven by the authorities' reluctance to sell foreign exchange and allow nominal appreciation, a fear of Dutch Disease effects may have led to the policy responses observed." (S. Aiyar, Mozambique case study, IMF, 2006, p. 33). Mozambique also experienced a surge in exports due to the completion of an aluminium smelter in 2001, which makes the lack of real exchange rate appreciation even more remarkable.*

81. To provide a safety-net and to encourage private sector employment, employment guarantee schemes (EGS) in rural or urban areas can be considered. These schemes provide local public works jobs of "last resort" targeting those not able to find private sector employment, including female-headed households, families with children, war wounded, orphans, people living with HIV, and the extremely poor. Where politically and morally acceptable, EGS wages should be set below market rates for comparable work. This makes these programmes "self-targeting" and encourages participants to seek private sector employment. If self-targeting wage levels are not politically acceptable, conditional cash transfers and other forms of wage subsidies may be more appropriate than safety-net programmes (as opposed to arbitrary rationing of EGS jobs). Setting public sector and EGS wage levels is always difficult. Extended tripartite dialogue involving local government, business, labour and other interested stakeholders is essential for building a consensus on how public sector wages and employment programmes can best be managed to target the poor. United Nations agencies and donors can assist this wage setting process both by supporting social dialogue directly, by developing capacity in stakeholder groups and by observing national wage guidelines and employment policies wherever possible.

82. Early on, fiscal policy should support labour-intensive public works that employ large numbers of skilled and unskilled workers[21]. Using procurement guidelines and monitoring tools, labour-based public works can continue to provide sustainable and efficient employment. Infrastructure construction, for example, often involves a shift from direct public sector participation to competitive bidding among private contractors. Contractor training programmes can increase private sector involvement and support local entrepreneurs. The public sector's role shifts to monitoring projects and quality control of such labour-based projects including roads, sanitation, irrigation facilities, health centres, school buildings, housing schemes, childcare facilities, urban waste management, land, soil and water development. National and district staff capacity and the supply of skilled workers can be enhanced by certification and portable skills training. Implementation of certification and training should be local, undertaken by municipalities for example. Transparency can be enhanced by self-policing industry councils.

83. Labour market bottlenecks arising from aid inflows and private sector recovery are difficult to anticipate. However, early and proactive policies to train and re-locate available labour and to strengthen the local suppliers and contractors network can also increase the employment impacts of aid and public spending during the transition phase. Gathering labour market information on wages, unfilled job openings and skilled labour shortages is a first step toward gearing aid funded employment and training programmes to local labour market conditions. To promote job creation and decent work over the longer term, macroeconomic policies may have to be complemented with more active labour market policies and regulations to ensure humane working conditions. As discussed previously, quick labour market surveys and capacity development at labour ministries and in local government employment offices can help identify labour shortages to be addressed by training programmes. Workers can also be encouraged to move where jobs are available using small transportation subsidies, for example.

84. Sectoral approaches and policies to foster private sector employment growth are needed. Studies suggest about half of the obstacles to private sector development are sector specific. Policies should focus on sectors that offer most opportunities for growth and decent work – in general or for conflict-affected groups – and on sectors providing goods and services to conflict-affected groups. This maximizes the peace dividend. In addition to supporting sectoral policies and ministries, sectoral approaches may involve special skills training, improving access to finance, productivity enhancing knowledge and development of value added chains. Job creation should be multisectoral: to maximize impact, linkages among sectors should be considered, as well as direct sectoral impacts of pro-employment policies.

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[21] *Different methods and technologies are available for infrastructure construction, rehabilitation and maintenance. Studies show local resource-based technology using local labour and light equipment can be a cost-effective method of building and maintaining infrastructure. Adoption of such a labour-based approach results in much higher employment for a given investment without compromising on quality and efficiency. Some infrastructure investment projects require use of heavy equipment. However, it is technically feasible and cost-effective to construct many civil engineering projects using labour-based methods. This quality and cost-effective approach can be used to restore needed infrastructure for local economic development while promoting social inclusion of local residents. See ILO 2000, Employment Intensive Infrastructure Programmes: Labour Policies and Practices.*

85. Agricultural sector growth can stimulate employment growth elsewhere in the economy, due to its strong links with other sectors. Growth takes place, for example, through increasing demand for fertilizers, construction inputs, small-scale repair services, and basic consumer goods. It has been estimated, for example in sub-Saharan Africa, that the multiplier associated with agricultural growth is around 1.5, meaning that every US$ 1.00 increase in agricultural income generates an additional income of US$ 0.50, primarily among suppliers of non-farm goods and services. Estimates for countries in Asia point to multiplier effects in excess of 2.5. Given the fragility of rural economies in most post-conflict situations, it is reasonable to suggest that the multiplier effect could be considerably higher. For this reason, a strong emphasis on agricultural sector development in post-conflict situations can make a deep and lasting contribution to economic and employment growth. Given that a large share of producers in small-holder agriculture are women, particular efforts must be made to address the gender-specific mobility, information and household income control constraints that inhibit their income and productivity.

86. Regulation of sectoral training and education is an often overlooked priority. With the expanded post-conflict pool of those seeking skills and training and the need for a plethora of training organizations, there is a strong need to establish standards for training programmes. These regulations reduce fraud and can become the foundations for a modern job education and training system down the road.

87. Bearing in mind that many conflict-affected groups are from rural areas, policies and programmes should have a balanced rural-urban emphasis. Only thus can over-migration of conflict-affected groups into urban areas be avoided. Policies should focus on regional development, building on existing natural resources and regional economic potential. Sectoral programmes aimed at new agricultural products and increased productivity for existing agriculture can help achieve this balance. Where possible, entrepreneurship programmes should exploit synergies with other reconstruction initiatives. Support services to war-affected groups should provide incentives for rural development, thereby mitigating a potentially destabilizing influx of the unemployed into urban areas.

88. Decentralized, as opposed to national, spending on public works may be more effective if it: i) builds on community-based investment already underway (see local reintegration track); and ii) reaches and employs conflict-affected groups in local urban or rural communities. Decentralized spending supports ongoing local employment and reintegration programmes, but may require extra capacity development at the local level to make sure projects are worthwhile and that funds reach the target groups.

89. Capacity development efforts can also foster public-private sector partnerships for provision of vital public services. In post-conflict settings, private providers often emerge for critical water, electricity and communications services. Initially, private (and sometimes irregular) providers of critical services should be tolerated. Similarly, in the light of the weakened capacity of the state, market forces will lead to private provision of (quasi) governmental tasks such as enforcing contracts, facilitating commercial transactions and providing education and training. Even at this stage, however, the United Nations should support the government in the creation of minimum regulatory measures to ensure transparency and promote good governance.

90. Enabling private investment and entrepreneurship initiatives include removing obstacles to forming and doing business including clarifying property rights, simplifying tax and licence systems and making tax systems at every level more transparent and uniform. Wherever possible, foreign and local business should be accorded equal treatment. Legislation aimed at business and the self-employed include tax simplification, contract enforcement, property rights and legal reforms affecting barriers to business entry and exit, and access to information technologies. Over the longer term, these policies can help "formalize" the informal sector by making evasion of rules and regulations less beneficial and hence, over time, improve the quality of jobs in a manner consistent with decent work and safe workplaces.

91. National policies for inclusive financial sectors can support post-conflict employment, provided communities and institutions have recovered sufficiently to support financial services. Microfinance thrives when the private banking system itself develops and becomes more inclusive. Inefficiencies or potential fraud in the financial services sector should be identified and remedied early, by building national capacity for bank supervision and by supporting local finance and credit agencies. Microfinance is particularly important for the informal sector and micro-enterprises. Clear policies to develop formal financial markets can support and facilitate the vital movement of business into the formal sector. Also, it is essential to ensure that policies support access to business loans for women entrepreneurs, who are often unable to access these because of lack of assets for collateral.

92. Suitable and up-to-date labour laws, supported by appropriate labour market institutions and programmes, can help reduce barriers to job creation and gradually promote decent work. Restoring regulation of the labour market is important for preventing discrimination, sexual exploitation and harassment, forced labour, low wages and intolerable conditions of work, especially for women and children. Other legislation may help improve employability, labour mobility and job placement information.

93. Accountable and efficient justice and security systems help reduce the risk of conflict, thus creating an enabling environment for employment creation, income generation and reintegration. Illegal confiscation of property, militarization and destruction of livelihoods render communities vulnerable to violations of human rights and violent conflict resolution. The restoration of the rule of law and mechanisms for peaceful conflict resolution are thus imperative to protect land, livelihood and equitable access to resources. By empowering traditional leaders, law-enforcement agencies, lawyers and prosecutors, local conflict resolution mechanisms are enabled to resolve disputes over land, enhance employment for poor and vulnerable groups, and prevent discriminatory policies. In parallel, it is equally important to ensure adequate security sector reform in connection with the DDR process. Former combatants and armed groups must be reintegrated into civilian life and access employment opportunities, while justice and security institutions must be reformed and enabled to create an environment that is secure and conducive to sustainable reintegration and peacebuilding. Judicial and security sector reform processes must be gender-sensitive and address elevated levels of sexual and gender-based violence, as well as impunity for this violence. If this is not addressed, efforts to restore the rule of law and security will be flawed and women's capacity to engage in employment will be compromised.

Private sector development programmes

94. Private sector development programmes require a complementary set of interventions. In addition to supporting policies for an enabling environment, the growth and efficiency of the private sector can be directly facilitated by programmes supporting access to new local and export markets, supporting the development of local suppliers (value chain development), promoting export as well as access to finance, information, technology and training as discussed above. Post-conflict private sector development is particularly important if private jobs provide an alternative to illegal activities. Similarly, private sector spoilers should be discouraged. Codes of corporate social responsibility and strengthened local civil society groups can improve social inclusion and reduce the reach of spoilers.

95. Market development and value chain upgrading involves making markets work better by expanding sales opportunities and by improving access to key inputs needed to add more value to existing products (such as food processing facilities). In post-conflict settings, market access is likely to be limited and essential inputs such as fertilizers, seeds, pesticides or reliable energy sources may be unavailable. Value chain analysis helps private sector recovery by identifying market opportunities and missing inputs.

96. Similarly business development services (BDS) can make micro, small and medium enterprises (MSMEs) more profitable by improving productivity and expanding market access. These services include advisory services, marketing training and assistance, information services technology development and transfer, business network promotion, and enhanced access to financial

services. BDS can be delivered by a wide range of public and private actors including civil society organizations (CSOs). In post-conflict settings, BDS is often combined with vocational skills training. Post-conflict settings often lack BDS providers and a regulatory framework for these services. Such a framework sets minimum quality standards, rationalizes the coverage of BDS and identifies networks of BDS providers. Subsidies, loans and technical assistance to BDS networks can be very helpful in helping local businesses gain access to services necessary for them to expand and eventually formalize their business ventures.

97. Financial services are of key importance in promoting rapid recovery of businesses, large and small. In post-conflict settings, recovery grants or loan-guarantee schemes can contribute to recovery of businesses in the most conflict-damaged regions. Early business recovery builds confidence and may catalyze related private sector investment. Policy reforms can also encourage private loans for skills training and other business services.

98. Credit is essential to activate private sector micro, and small, business activities. Credit is particularly important in the immediate post-war period as it can leverage aid financed reconstruction and other activities. In the early post-conflict phase, private banking services may be too risk-averse and business collateral insufficient to support private credit markets. In such cases, the following interventions may be appropriate:

    a. Provide reconstruction grants to communities. To help mitigate charges of unfair grants, community groups should help determine priority infrastructure projects and be involved in the administration of these grants (see also the local reintegration track).

    b. Provide secure financial support to remittances sent to rural areas in particular, lowering the transfer costs and bundling them with other savings and insurance services, thereby expanding the options of the poor families that receive these remittances.

    c. Use guarantee funds, where possible, deposited in local banks, to guarantee loans to entrepreneurs in conflict-affected areas. Community groups can help determine eligibility and screen loan applicants. Funders should implement programmes with partners that have experienced staff and preferably a track record in microfinance in conflict-affected areas. Preferred partners are local financial institutions (commercial banks, credit unions and NGOs) or, if local capacities need to be supported, specialized international NGOs.

99. Entrepreneurship training programmes aimed at the formal and informal sector include counselling, training and advisory services. Business skills depleted by war, migration and the collapse of local markets and transport networks need to be restored. Though rapid recovery of private firms is the top priority, these programmes can also target unemployed youth and ex-combatants. Development of local and sectoral business associations can facilitate this training in skills and management.

100. Cooperatives can generate employment and provide viable solutions to post-conflict challenges, by offering alternative protection and empowerment to conflict-affected groups. Cooperatives are "autonomous associations of persons united voluntarily to meet some common economic, social and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise"[22]. Since cooperatives encourage self-help, equality, equity, mutual aid, democracy and social responsibility, they enhance peace building efforts. Post-conflict cooperatives can rebuild community infrastructure, provide cereal banks and credit services, as well as market agricultural goods, livestock, fish and handicrafts. Cooperatives can contribute to recovery and reconstruction while mitigating the risk of conflict by reducing vulnerability of disadvantaged groups and communities. Commercially viable cooperatives can help rebuild local economies while promoting social dialogue and social inclusion.

[22] *See ILO Thesaurus 2005.*

101. The promotion of MSMEs should be guided by international guiding principles, such as those in ILO Recommendation 189[23] on "Conditions for stimulating job creation in small and medium sized enterprises", and the Donor Committee for Enterprise Development's guiding principles. Subsidized services should be resisted as much as possible, despite their political appeal. Experience shows that they are unsustainable, and have limited outreach and low impacts. Subsidized provision should therefore be targeted and of limited duration.

The rules of the game

102. The rules of the game include standards and a framework of social dialogue. Tripartite business, labour and government representatives need to engage in continuous social dialogue with other civil society groups. United Nations agencies can help to provide this forum. Dialogue regarding development plans, property and inheritance rights, as well as legal and institutional reforms encourages local ownership of and commitment to new policies. This is particularly important in post-conflict environments characterized by residual social and political tensions. These United Nations bodies can also promote different scenarios where dialogue can occur for example socio-economic forums, and other forums shaped around tripartite consultations, together with more stakeholders.

103. For "tripartite plus" dialogue to be effective, it is critical to develop the capacity of all constituents. Capacity development at all levels of government is essential. The ministry of labour or a national employment commission, for example, can support and implement national employment policies, monitor the employment implications of national policies and encourage formation of worker and employer associations. Workers' organizations are often weakened by war and may have to be rebuilt if they are to play an active role in protecting workers' rights. Similarly, employers' organizations and private sector enterprise associations can play a crucial post-conflict role by encouraging corporate responsibility, for instance in support of stepped up youth employment. Women's organizations should participate in this dialogue to facilitate a gender-balanced response and to tap into the positive role women can play in peacebuilding, and support should be given to disabled people's organizations to ensure their right to dignified work.

104. Where consistent with national peacebuilding priorities, possible legal reforms and development plans – including Interim PRSPs and PRSPs – should reflect the MDGs and the ILO Declaration on Fundamental Principles and Rights at Work. These principles can also be used to initiate dialogue among stakeholders, especially among social groups separated by conflict. These universal values and goals may facilitate consensus building. Particularly relevant to post-conflict settings are MDG 1 (eradicate extreme poverty and hunger), MDG 3 (promote gender equality and empower women) and MDG 8 (develop a global partnership for development). Relevant ILO core conventions include freedom of association (C87) and the right to collective bargaining (C98); the elimination of forced and compulsory labour (C29); the abolition of child labour (C138, C182); the elimination of inequalities in remuneration (C100) and other forms of discrimination in the workplace (C111); as well as the ILO Convention 169 concerning the rights of indigenous and tribal peoples[24].

105. Interventions aimed at improving the rules of the game for business include reducing unnecessary obstacles to "doing business" such as time-consuming registration and licensing procedures, inspection regimes, and complex customs, tax and tax administration systems. Invisible or culturally normalized obstacles for women to doing business – such as restrictions on women's asset ownership rights – should also be removed. These reforms may need to be complemented by capacity development within line ministries and regulatory bodies and by using training and new ICT to improve efficiency. Initiatives to create transparent and internationally accepted

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[23] *The support services referred to include but are not limited to: i) provision of business development services; ii) giving voice and representation of the sector through association building; iii) access to micro finance; iv) technical skills training that leads to both self-employment and formal employment; v) the use of mass media to lobby for an enabling policy environment and for provision of basic management skills; and vi) facilitating access to business information. Tools also already exist for SIYB training on HIV/AIDS.*

[24] *Other international labour standards which also need to be considered include those on employment policy (C122), rural workers organizations (C41), human resource development (C142, R195), occupational safety and health (C155), job creation in small and medium enterprises (R189), promotion of cooperatives (C193) and social security (C102)..*

regulations for investors and banks can also improve the investment climate, as does extending "national treatment" to foreign investors and/or offering temporary tax or regulatory exemptions or medical benefits to informal sector businesses and workers aimed at gradually formalizing the informal sector.

106. Policy dialogue needs to be built as much as possible on data and facts. However, in most post-conflict settings, these are not readily available. Post-conflict economies need timely, accurate, consistent and up-to-date statistics disaggregated by sex and age, and labour market information that can be analysed as a basis for effective employment and labour market policies and programmes, including skills development. These data inform policy-making bodies of short-term and long-term needs in skills development to meet the requirements of the economy. They can facilitate the monitoring of economic and labour market developments (including wages and income, working hours, conditions of work and productivity) and allow the government to evaluate the impact and effectiveness of its labour market policies and programmes on employment and poverty reduction, as well as on economic growth. They can also enable job placement and counselling services to develop, and guide the design of vocational training and employment creation programmes with special emphasis on women and other marginalized groups. In post-conflict settings, capacity development for the collection of these data is often necessary, as is capacity development for the collection of macroeconomic data. The latter, including price data, provide the economic context in which the design of labour market policies should be considered.

107. Skills acquisition and basic education are disrupted by conflict. Rebuilding schools and training facilities is essential. This also implies that links with real labour market opportunities are established, quality assurances are put in place, and qualified trainers are initiated. Capacities need to be established that include training on technical as well as core skills that may be non-vocational skills such as social and communication skills. Training also has to adjust both contents and methodologies to address the needs of war-affected groups and the likelihood that, initially, most jobs will be in the informal economy. This includes systematic training needs assessments, post-training support interventions at local level, and special programmes to instil life skills, confidence building, civic education, group formation, crisis prevention, reconciliation and alternatives to violence. Training should adopt gender analysis (to provide services such as childcare for very young mothers, as well as appropriate security and sanitary facilities for girls and women), identify if there is a youth bulge, and should include job counselling, referral and other such services for first time labour market entrants. Some targeting may be necessary to offer opportunities to groups with special needs or the historically disadvantaged.

108. Conflict generally places existing social protection systems under strain. Early exit strategies are needed to help people out of dependence on humanitarian aid and to guide them in taking responsibility for their own development through income generation and jobs. War, however, also generates high numbers of people who are not able to work, and well conceived approaches are required early on to adapt the social protection model so as to provide the necessary protection to those who cannot work. Social protection schemes, including social security, may be seen in the first instance in terms of the provision of cash income support needed by victims of a conflict to maintain the necessities of life. In the broader picture, it is valuable to see the systems of social security as part of the social infrastructure. They have the potential to be used flexibly (much more so than is often seen in practice) and accordingly, with the scope to influence the general framework of national policy. In some post-conflict settings, the human resources of social security institutions can play a useful role in, for example, distribution of cash payments. Secondly, social security offers a framework for long-term and equitable social protection policies.

109. Risk-pooling and solidarity are further aspects of the post-conflict response that involve social protection systems. However, a social insurance approach may not work well in a post-conflict environment because of the loss profile that may undermine the actuarial equilibrium of these schemes. Transfer financing from treasury resources may provide a more immediate answer, taking account of the necessary governance structures and available "fiscal space". Subsidizing micro-insurance schemes, despite their limited capacity for risk-pooling, may also have a role to play. These in turn may be linked to regular microfinance institutions, so that, again, systems of social protection are linked with general economic regeneration.

Table 1: Post-conflict employment programming for stabilization, reintegration and long-term recovery

Programme tracks	Target groups	Goals of intervention and assistance	Key programmes	Key issues and risks
Stabilizing income generation and emergency employment	Assistance targets high-risk conflict-affected individuals and those with urgent needs. Emphasis is placed on ex-combatants, returnees, IDPs, youth, women and other vulnerable groups.	To provide for immediate basic needs and to restore quickly key public services (such as health, security, sanitation and basic business services). This track is vital to a secure and safe environment for peacebuilding.	i) Emergency temporary jobs; and ii) Basic livelihood and start-up grants.	To create balance between, on the one hand, effective targeting of conflict-affected individuals and, on the other hand, equity considerations.
Local economic recovery for employment opportunities and reintegration	Assistance targets rural and urban communities, local governments and other authorities which are important for conflict-affected groups. Priority should be given to communities and local authorities to which ex-combatants and displaced persons choose to return.	To contribute to establishing an enabling environment at the local level to create long-term employment growth and income generation opportunities.	i) Capacity development of local governments, providers of business services and other associations; ii) Community driven recovery programmes; and iii) Local economic recovery measures.	To create opportunities for employment creation and reintegration and to enhance the capacity of conflict-affected individuals to take advantage of these opportunities.
Sustainable employment creation and decent work	Assistance targets all formal and informal labour market participants, private sector employers and employees and a wide range of stakeholders involved in social dialogue, including representatives of marginalized and vulnerable groups.	To support the sustained growth of high quality employment via enabling macro-economic, sectoral, legal and institutional programmes. Quality employment includes targeting of high risk and vulnerable groups.	i) Support to macro-economic and fiscal policies, active labour market policies and labour law and investment policies; support for employment generating sectoral policies; ii) Support for financial sector and business development services; and iii) Promotion of labour-related institutions that enhance employability, social protection and other aspects of labour administration supported and vetted by social dialogue between tripartite constituents (government, employers and workers) and other relevant stakeholders.	To provide the groundwork for a new development trajectory through capacity development and institutional development at the national level.

4. ANNEXES

ANNEX 1 : The challenge of youth unemployment

Almost half the unemployed worldwide are young people aged 15 to 24; youth unemployment is especially high in the Middle East and Africa.[25] For post-conflict countries, high youth unemployment represents both an economic challenge and a security issue. Conflict aggravates employers' normal biases against hiring young, less experienced workers by promoting an image of youth as spoilers, predisposed to violence and crime. Fear of young workers can be self-fulfilling as those who cannot find productive employment turn to violent or illegal activities, apparently justifying the fears of employers and communities. The United Nations Office for West Africa states bluntly that youth "unemployment fuels conflict and crime, both of which then, in turn increase unemployment further by their effects on economic performance, investor confidence, and social, physical and institutional structures. Job creation for youth, therefore, is a key tool for conflict prevention".[26]

The first step in breaking this cycle of poverty, unemployment and violence is to change the image of young people as spoilers – by involving young males in particular in reconstruction and community development programmes early on. Communities can also support training and education as well as sports and cultural activities aimed at reintegrating youth. It is wrong to view youth only as a security threat: the majority of young people everywhere choose not to embrace violence. On the contrary, youth often play vital positive, creative, and non-violent roles in their communities, at times shouldering head of household responsibilities at an early age and under difficult circumstances. The potential contribution of young workers is often overlooked.

Policies that break the vicious cycle of violence and unemployment must address the special challenges young people face in getting jobs. Conflict disrupts job networks: the trust and community support (social capital) employers require to hire and train young workers can be severely depleted. Young people can find themselves choosing between unemployment and short-term employment in hazardous, informal and/or low-paying jobs with no social benefits. Conflict displaces young workers from home and community, interrupts their formal education and deprives them of training provided by part-time jobs even as it disrupts traditional apprenticeship and mentoring systems. In conflict settings thousands of people in their 20s and early 30s may find themselves without the education and experience necessary to make them employable.[27]

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[25] *ILO 2006 estimates show youth unemployment is especially high in the North Africa (26%), the Middle East (25%) and sub-Saharan Africa (18%), compared to the world rate of 13% (see ILO KILM 5th edition Box 9a). The ILO estimates about 88 million people aged 15-24 are unemployed, about 47% of all those unemployed worldwide. With another one billion people entering the workforce in the next decade, the challenge posed by youth unemployment is bound to increase.*

[26] *United Nations Office for West Africa (2006), Youth Unemployment and Regional Insecurity in West Africa.*

[27] *United Nations Office for West Africa (2006), Youth Unemployment and Regional Insecurity in West Africa.*

Policies must also recognize that youth is not a homogenous group – rather, it is a complex microcosm of society, reflecting all social differences and tensions[28]. Young men and women face different challenges. A security dominated approach to youth employment may overlook the particular and pressing needs of young women. In the Middle East and North Africa, young women are much more likely to be unemployed than young men.[29] Studies have consistently shown young women are as likely, or more likely, than young men to take advantage of employment opportunities to reduce their vulnerability to gender bias and conflict-related violence.

For these reasons, creating sustainable employment opportunities for young people requires a comprehensive approach. Youth employment and reintegration programmes must both build on the strengths of young workers, such as their mobility and willingness to learn, and address their particular needs for part-time education, vocational training, and business start-up or job search skills. These linkages should be articulated in the initial post-conflict needs assessment analysis and subsequently in national development strategies (e.g. PRSP).

- **Track A: Stabilizing income generation and emergency employment**

  Temporary jobs or cash-for-work programmes targeted at demobilized youth can be a cost-effective way to enhance security while changing the image of youth as spoilers. Special youth services groups trained in providing basic medical services can move from community to community. Emergency repair and public service programmes can improve the image of young workers, and provide valuable experience and satisfying work. Short-term employment should be complemented with on-the-job or vocational or small business training or part-time education. Employment without training or training without employment can quickly discourage young workers as they lack the patience which experience in the labour market builds.

- **Track B: Local economic recovery for employment opportunities and reintegration**

  Communities should be strongly encouraged and enabled to target youth both with employment generating, education and cultural programmes. It is important to avoid a "security only" approach to youth employment: community-based employment and livelihood support initiatives should address the special challenges faced by young men and women in finding employment through capacity development, vocational training, mentorship/internship/apprenticeship programmes that build youth employability. This also can involve supporting youth organizations and advocacy groups that sometimes develop spontaneously, as young people seek to fill conflict-related gaps in service and support provision. Livelihood assistance to the economic reintegration of children formerly associated with armed forces and armed groups should be consistent with "The Paris Commitments to Protect Children from Unlawful Recruitment or Use by Armed Forces or Armed Groups" and "The Paris Principles and Guidelines on Children Associated with Armed Forces and Armed Groups" (February 2007).

- **Track C: Sustainable employment creation and decent work**

  Lastly, supporting policies enabling a growing labour market is vital to sustaining youth employment opportunities. There is some evidence that youth interventions have so far relied too heavily on the supply side (building up skills), as opposed to increasing job opportunities for trained youth. Since training may raise expectations it adds to frustrations if jobs are not available. Young workers are almost by definition new entrants: they need job opportunities to get their foot in the door. Early on, donors and United Nations agencies can target youth: later,

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[28] *While the General Assembly defines youth as individuals aged 15 to 24, official definitions of youth vary greatly across nations. Even the United Nations definition includes those 15-17 who many view as children or minors. A review of national youth policies reveals wide variation: Jamaica uses the United Nations definition, but Bolivia delays youth to 19 and ends it at 26. The Dominican Republic, Kenya and the Philippines stretch youth to age 30; Sierra Leone ends it at 35. Malaysia tops the list with adulthood officially starting at 41. South Africa and India start youth earlier at 14 and 13 and stretch it to 35. Since poorer countries tend have both higher birth and death rates, youth broadly defined can quickly become a majority of the population. For example, over 55% of Liberia's population fits in the 15 to 35 youth category for example, while another 40% is under 15, leaving only about 5% of Liberians officially defined as adults. In this context, all unemployment becomes youth unemployment. See also footnote 5 of this policy paper for further information.*

[29] *Female youth unemployment is higher in the Middle East and North Africa at 31% and 34% respectively, but a bit lower in Sub-Saharan Africa at 17% (ILO KILM 5th edition, estimates for 2006, Box 9a).*

national policy initiatives can encourage hiring of young workers by creating special internship provision and payroll or social security tax exemptions to encourage employers to take on young workers. These policies may also involve private-public sector partnerships to encourage hiring and training of young workers. Young entrepreneurs also need training and lower doing business barriers as well as start-up loans or grants. These laws can also help ease the transition into the formal sector and formal employment contracts. National policies can also create special job networks for young workers or create a national youth public service corps, for example to supplant military service and ease the transition of youth into the workforce. Youth are likely to try several jobs and have the advantage of being mobile, so national job search services can be particularly helpful.

ANNEX 2 : The gendered challenges of post-conflict employment

Conflict and violence impacts both women and men, but affects them differently. The social changes brought about by war – including displacement – disrupt normative gender roles and can profoundly affect women's and men's livelihoods strategies in the aftermath. Armed conflict may mean that an individual's ability to make a living is compromised, but it can also have the effect of forcing people to learn new skills. Evidence from the field shows that, while conflict can allow women to take on work that was formerly considered to be exclusively reserved for men, men generally show less flexibility in post-conflict settings about accepting work that is usually done by women.

Traditionally, men have been the primary beneficiaries when it comes to post-conflict land allocation, credit and formal employment schemes. The re-engagement of male ex-combatants into civilian life is seen as an important stabilizing process, but the focus on male ex-combatants often has a distorting effect on the household and the community as a whole. Women's work to sustain their families can be severely disrupted when men are favoured in economic reconstruction.[30] Focus on ex-combatants also affects men who are not former combatants. Men's disaffection not only affects their well-being, it can also increase sexual and domestic violence and other forms of violence against women, especially when women have become wage earners and assert their right to control their income.[31]

Developing successful post-conflict employment programmes for women has proved to be even more challenging. In most customary laws, women are denied access to and control of resources, particularly the right to own, inherit and rent land. Also, the health impacts of sexual violence undoubtedly impair their capacity to work in the aftermath. Women's care-giving burdens are large. They are often forced to adopt desperate and risky survival strategies (such as exchanging sex for food) to provide for their families. On the positive side, women are generally successful in organising themselves efficiently into groups and able to make contributions to their household and community wellbeing through use of microcredit, revolving credit, work sharing and other strategies which allow them to manage their productive and reproductive labour responsibilities. Support to women's groups is often a good way to inform women of their rights as earners of their own income, but it may be better to use a 'household-rights' not a 'women's rights' approach to prevent escalated violence against women. Programmes should capitalize on positive changes in gender roles that took place during the conflict, but must work in such a way as to prevent any backlash against women.

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30 *United Nations country experience in Eritrea, for example, shows that women lost their jobs or regressed to lower paying jobs in an environment with few job opportunities and slow economic recovery in which the employment of male ex-combatants was prioritized by donors.*

31 *This section draws on UNDP field experience and a significant literature on gender and employment, including Bannon and Correia, The Other Half of Gender (World Bank 2005); the United Nations IDDRS (http://www.unddr.org/iddrs/). For a full definition of gender-based violence see CEDAW Committee General Recommendation 19 on Violence Against Women: http://www.un.org/womenwatch/daw/cedaw/recommendations/recomm.htm#recom19*

The fair and equal treatment of women and men is essential to promote harmonious recovery, to reduce vulnerability, prevent violence, and derive the full benefits that accrue when all development agents are engaged in the process of reconstruction. Gender-aware employment and reintegration programmes must be carefully set up through the post-conflict needs assessment analysis and then integrated into national development strategies, including, where necessary, through judicial reform[32]. This requires a comprehensive gender analysis[33] that carefully assesses roles, relations, needs and priorities.[34]

- **Track A: Stabilizing income generation and emergency employment**

  Temporary jobs or cash-for-work programmes should deliver a quick peace dividend to targeted high-risk youth, men and women, and those with urgent needs or running a high risk of exploitation or abuse. Encouraging women to participate in these types of programmes can expand their marketable non-traditional skills for later employment opportunities. This can be promoted through practical measures such as child-care, safe mobility to and from the worksite, etc. Since these programmes provide temporary employment only, women's commitment to provide for families should be protected by avoiding a situation where men feel threatened or excluded. Also, a return to pre-conflict stereotypes about "men's work" and "women's work" should be avoided. From United Nations experience in Rwanda and Eritrea, women acquired construction skills and built childcare centres, gaining a lot of temporary employment. In the process, they gained skills to work in the construction sector, traditionally seen as a male-dominated sector. Liberian women refugees in Ghana and Ivory Coast acquired new skills in rehabilitation of schools, pit latrines, wells and other community service buildings. However, in Eritrea the formal sector did not recognize or absorb the newly acquired skills of women, who during the conflict served as mechanics, barefoot doctors, etc.

- **Track B: Local economic recovery for employment opportunities and reintegration**

  When supporting more sustainable employment opportunities at the local level, gender equality can be promoted by consistently advocating for well-being at the household level, rather than focusing on individual gains. This means, for instance, that communities should be supported in reducing work and care-giving burdens for households where possible, so that women and men have equal opportunities to earn a living through self-employment or waged labour, in the local private or public sector. This can be supported through setting up informal or formal day-care centres for children and assistance for the elderly and those disabled by war. Support is especially needed for female-headed households, and for those burdened with the care of disabled family members. In rural settings, programmes should make special efforts to reach women, particularly to assist them with land access, new information and agricultural support services, tools and seeds. Support mechanisms will also allow women to participate in training and take up employment activities outside the home. Experience shows formalized training provided through microcredit schemes provides opportunities for women to move into formal employment. When promoting gender responsive employment programmes and policies at community level, it should not be forgotten that women's work tends to be concentrated in the informal sector both in times of conflict and in peace. There are advantages to this, as the informal sector can accommodate people with less education and training and do not require as much start-up capital as formal sector employment. At least in the short term, women should be supported to market skills for informal sector activities, such as selling food, or domestic labour.

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[32] *See also United Nations Security Council Resolution 1325 on Women, Peace and Security on incorporating a gender perspective and mainstreaming in peacekeeping missions and all other aspects.*

[33] *In the assessment, the following questions should be considered: i) What are the best ways to include women and men in local government? ii) Are women providers of business services who can be represented in decision-making for the distribution of credit and opportunities for training? iii) Are micro-credit programmes open to all, including young people? iv) If men, especially young men, are considered "high-risk" and ineligible for microcredit, what strategies can be developed to minimize the perceived risk? v) Are microcredit initiatives targeting women the most useful strategy, or can credit be extended to households to extend income-earning opportunities to all members? vi) Is all microcredit designed to support real growth so that it promotes rewarding labour and is not just a survival mechanism? vii) Is there equitable access to training based on sound market analysis that has taken gender differences into account?*

[34] *For example, different groups of women face different types of issues and needs, such as female combatants, female refugees and women who stay behind in communities during conflict, in relation to employment and the different interventions they may need to support them to participate in paid work.*

• Track C: Sustainable employment creation and decent work

Employment and incomes established through Track A (temporary jobs) and the Track B (work at community level) should be supported as much as possible through a national enabling environment (policies, institutions, etc.) that benefits gender equality in formal and informal employment. Laws, regulations and institutions that support gender-responsive employment policies can be facilitated through tripartite dialogue between governments, employers and workers organizations, together with the active involvement of women's NGOs and networks. Gender responsive labour laws and legislation can be a helpful tool in tackling discriminatory labour practices.[35] In the agricultural sector, legislation can be passed to assure equal access to land and other productive resources: a household-level focus will prevent the marginalization of individuals and promote the well-being of families. Labour laws should proactively address labour equality considerations such as equal pay for work of equal value, maternity leave, promotion opportunities and retention of women workers. Gender-sensitive strategies and policies that increase female employment in the formal sector, for example Gender Action Plans or other affirmative action undertaken by the government, should also be supported. A comprehensive strategy should be developed to overcome prevailing social norms that hamper implementation of positive legislation for gender equality. Legislators, judges, the labour ministry, trade unions, employers and communities all need to be sensitized about gender issues in the labour market to ensure women's and men's equal and fair participation in all employment sectors.

ANNEX 3 : Action points for guiding principles

GUIDING PRINCIPLES FOR EMPLOYMENT CREATION, INCOME GENERATION AND REINTEGRATION PROGRAMMES

Guiding principle 1: be coherent and comprehensive

Employment creation and income-generation should be approached in a coherent and comprehensive fashion, avoiding isolated and fragmented responses. Effective handling of employment creation and income-generation requires multifaceted, interlinked interventions that address the evolving post-conflict setting. They need to involve the United Nations, IFIs and bilateral donors, building on the comparative advantages of agencies both inside and outside the United Nations. They need to take into account women and men, different age groups, people with disabilities, individuals and families, groups, communities and institutions. Both short-term and long-term actions require intensive multi-stakeholder involvement. The programming and mainstreaming of employment creation and income-generation needs to take place right from the beginning. Understanding the complexity and volatility of the post-conflict environment means that flexibility should be exercised in the design of these programmes. Interventions should be incorporated in national development plans such as PRSPs, plans for achieving the MDGs, as well as donor programmes such as UNDAFs and CAS. Special attention should be given to youth employment.

Action points

1.1. Planning for employment creation must start early in post-conflict situations, and preferably be part of peace negotiations.

1.2 From the start, attention should be given to all three tracks of employment programmes (stabilizing income generation and emergency employment, local recovery for employment and reintegration, and sustainable long-term employment creation and decent work)

[35] *Policies such as reforms in labour laws and advocacy on gender equality issues in the workplace, especially addressing issues of discrimination and sexual harassment in the workplace.*

1.3 Programmes should comprise interventions which address both demand-side as well as supply-side aspects of labour and other livelihoods (e.g. land, equipment, social capital and infrastructure). Special attention needs to be paid for the restitution of land, housing and other property, which provide a basis for rebuilding livelihoods.

1.4 Collection and use of employment data should start as soon as possible and be part of the PCNA in order to underpin post-conflict employment programming. Developing reliable methods for remedying the post-conflict data gaps is urgent and must also be mainstreamed at every phase of intervention.

1.5 Support should be given to the introduction of labour market policies and regulations that emphasize quantity as well as progressively the quality of jobs, as defined by the decent work agenda. Support should be directed both towards the formal and informal economy, including the self-employed.

1.6 Employment creation and income-generation programmes should target families especially when the integration of child soldiers is an issue. Without an adequate income, poor families cannot care for these children.

1.7 Age, gender and diversity should be mainstreamed by ensuring meaningful participation of women and girls, people with disabilities and other marginalised groups throughout all the phases of aid programming and job creation, contributing to a more just and equitable society. For instance, training programmes for women and girls should take into account child care and other needs while training or working, such as flexible training schedules. Programmes should build on positive changes in gender roles often created during conflict. Special attention should be paid to women and girls' vulnerabilities to sexual and gender-based violence, which many times are greater in post-conflict situations.

1.8 To prevent fragmented and isolated responses, there is an absolute need for donor and aid agency coordination for employment and reintegration. Given the diversity of interventions and the multiplicity of actors, this coordination and promotion of synergies should be supported by United Nations country teams and other government-led aid coordinating bodies. For example, it is beneficial to create one stop services, which can cater for the needs of both ex-soldiers, displaced persons and other social groups. These functions should gradually evolve into government owned institutions.

1.9 Employment and reintegration programmes should focus on the most effective way to deliver services to conflict-affected groups, such as one-stop services.

Guiding principle 2: do no harm

Donor, United Nations and other public and privately financed aid programmes should avoid harmful spill-over effects on individuals, communities, society and the economy including the labour market. One of the key challenges is to manage expectations to avoid instability; too often expectations of what can be achieved are very high and delivery too low. For aid-inflow to be a welcome peace dividend, programmes should be designed to minimize disruptions to the recovery of private and public service labour markets. Harm can be caused by a surge in aid flows – including humanitarian interventions – leading to a too high appreciation of the real exchange rate which, in turn, harms labour-intensive agricultural, mining or forestry exports. Competition for limited skilled workers or managers by aid programmes can cause temporary labour shortages for the private sector and harm its efforts to rebuild key industries, as well as the state's resumption and building of its core functions. An upsurge in wage levels because of aid driven employment programmes can lead to higher wage thresholds in the economy. This principle applies also to aid agencies and foreign investors, who should cooperate and consult among themselves to avoid further distortion of already battered economies.

Action points

2.1 Job creation interventions should build on and not erode existing livelihoods and local coping strategies.

2.2 Excessive emphasis on one sector, skill or geographic area should be avoided in order to create a basis for equitable long-term growth. Particular attention should also be paid to improving women's access to forms of work from which they might traditionally have been excluded.

2.3 The potential effect on the economy and actual employment impact of humanitarian and aid programmes should be systematically assessed, as well as monitoring the impact of programmes that maximize job creation.

2.4 The United Nations system and other international actors should respect the best prevailing local conditions of employment, and should promote the collective negotiation of wages.

2.5 All stakeholders, including donors, should also invest in longer term employment needs in addition to providing quick short-term post-conflict responses, at the risk of refuelling the conflict.

Guiding principle 3: be conflict sensitive

Actions in the area of employment generation must be guided by an accurate and up-to-date conflict analysis. Analysis and continuous monitoring of the root causes of conflict should be an integral part of post-conflict employment creation and income-generation initiatives.

Action points

Conflict sensitivity implies listening to the "voices" of diverse groups, in particular, the most marginalised and vulnerable groups including women, youth and other excluded people such as ethnic minorities or the disabled. This can be done through participatory assessments, through vetting of demobilized soldiers and returnees, and through ensuring that advocates for the respective population groups are included at every stage of programming. As the peace process evolves, there is increasing emphasis on equal assistance to all population groups. Local based approaches should be at the core of peacebuilding efforts, since they promote social cohesion, equity and reconciliation and this requires early engagement in order to support these processes in a timely fashion.

Women are often disproportionately affected by armed conflict. For this reason gender mainstreaming is a priority. Experience has demonstrated that gender mainstreaming does not come about automatically and that it is too often expected to be a natural outflow of generic actions. To ensure real impact on the promotion of equality between men and women, to facilitate women's and girls' special needs where they face vulnerability, as well as to take full benefit of their role as development agents in the process of reconstruction, specific targets, indicators and gender mainstreaming budget lines should be formulated as a standard practice in programming. Also, necessary actions including gender audit to monitor implementation should be spelled out. This will greatly facilitate the operationalization of the SC Resolution 1325.[36]

Pre- and post-war diversity profiles of the conflict-affected groups should be standard in designing employment and reintegration interventions. Conflict introduces new diversities, including groups with particular needs, such as war-disabled. Since an individual can be a member of several groups, needs become more complex. Communities may have a higher than average share of people with disabilities in their labour force. They need access to medical and vocational rehabilitation.

Local political and economic interests should be considered in employment and reintegration programme design.

At the early stages of peace, particular groups can be singled out for assistance. Special attention is required for ex-combatants and returnees, as they need to be assisted while they move to their communities. Care should be taken not to exacerbate social tensions. Where possible, complementary interventions should be geared to benefit wider groups.

Handling employment and income-generation activities should go hand-in-hand with addressing the psychological traumas and other war scars through counselling and health support. This may also create opportunities to rebuild the social fabric of communities, mitigating inequities at the root of the conflict and start the healing process.

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[36] *Security Council Resolution 1325 was passed unanimously on 31 October 2000. Resolution (S/RES/1325) is the first resolution ever passed by the Security Council that specifically addresses the impact of war on women, and women's contributions to conflict resolution and sustainable peace.*

It is important that institutional mechanisms are in place to provide timely, equitable, transparent and efficient access to land and other natural resources and to resolve disputes. All groups should participate in this process, including those remaining, hosting communities, returnees and local authorities.

Because they can trigger future instability, devastating sub-regional and regional impacts must be considered in the United Nations system's response to the employment and income-generation challenges of peacebuilding. Partnerships with regional and sub-regional organizations can help to address this issue.

Guiding principle 4: aim for sustainability

The aim to create long-term impact should underpin all measures in Track A (stabilization) and Track B (local reintegration). In addition, short-term efforts in the Track A should not prejudice long-term sustainability. Sustainability requires both local ownership and a strong investment in capacity development of communities and local and national governments.

Action points

4.1 Programmes for employment and reintegration should facilitate participation and dialogue to ensure local and national ownership. In post-conflict settings, extra capacity development is often required before all stakeholders can effectively participate.

4.2 The views of conflict-affected groups and other stakeholders should be sought to ensure viable employment programmes.

4.3 In addition to the public sector, the challenge is to revive local markets required for economic recovery. Local economic recovery/development (LER/LED) as part of an area based development approach can create a culture of participation and partnership, while linking local governance structures to development plans for long-term sustainability.

4.4 Rebuilding labour market institutions, including ministries of labour, workers' unions, organizations of employers and the self-employed is crucial to sustain and expand employment and reintegration.

4.5 External assistance should support long-term as well as short-term employment and income-generation, thereby closing the gap between humanitarian and development assistance. Job creation sustains reintegration and recovery, monetizes the economy, and encourages self-reliance. Long-term funding commitment by donors is essential to achieve these objectives. This implies making best use of funding mechanisms in place for specific post-conflict countries.

4.6 Monitoring and early evaluations of programme results are essential to take corrective action and to assess impact. Partnerships and programmes should be flexible enough to adapt to M&E results and to rapidly changing post-conflict environments.

ANNEX 4 : Key concepts

Coping strategy: refers to a set of actions or a plan related to ways of addressing issues relating to overcoming difficulties and securing well-being. It usually comprises a set of values, goals and priorities and a preferred sequence of actions, with both a long and medium-term perspective. Through coping strategies individuals, households, communities, NGOs and governmental institutions are to plan and prioritize how to deal with existing needs and potential threats.

Decent work: covers productive employment for women and men in conditions of freedom, equity, security, human dignity and decency. It ensures observance and recognition of basic rights at work which guarantee the absence of discrimination or harassment at work, an income which enables

satisfaction of basic economic, social and family needs and responsibilities, an adequate level of social protection, and exercise of "voice" and participation at work, directly or indirectly through self-chosen representative organizations.

Demobilization: the formal and controlled discharge of active combatants from armed forces or other armed groups. The first stage of demobilization may extend from the processing of individual combatants in temporary centres to the massing of troops in camps designated for this purpose (cantonment sites, encampments, assembly areas or barracks). The second stage of demobilization encompasses the support package provided to the demobilized, which is called reinsertion.

Development phase: refers to the period when labour market, financial and other macro-economic institutions and environment are well established, recovery is on course and peacebuilding is quite entrenched. It can include achieving internationally agreed development goals, like the MDGs and increasing reliance on national ownership through national development strategies.

Disarmament: the collection, documentation, control and disposal of small arms, ammunition, explosives and light and heavy weapons of combatants and often also of the civilian population. Disarmament also includes the development of responsible arms management programmes.

Early recovery: is defined by the United Nations Early Recovery Cluster as "a multidimensional process guided by development principles that begins in a humanitarian setting and seeks to build on humanitarian programmes and catalyze sustainable development opportunities. It aims to generate and/or reinforce nationally owned processes for post-crisis recovery that are resilient and sustainable. It encompasses the restoration of basic services, livelihoods, transitional shelter, governance, security and rule of law, environment and other socio-economic dimensions including the reintegration of displaced populations".[37]

Employment creation and income-generation: includes different types of employment creation and income-generation including formal economy or wage and salaried work and also informal economy work such as self-employment and micro-enterprise activities. The activities can also be urban or rural based. The latter can also include farm and off-farm activities. Where the labour market is often completely changed by the war, employment creation and income-generation should not solely imply a return to the status quo ante. While it can include efforts at reviving some of the existing relevant jobs, a major focus has to be on efforts to embark upon other economic activities which are in tune with the changed labour market. Employment creation and income-generation are almost used indistinguishably in this policy document. However, some institutions however use income-generation to refer to profit-making activities, designed to reduce poverty in the long-term by improving people's living conditions. They are one way of helping people to help themselves, to be economically active and to use skills which they may possess. The concepts of employment creation and income-generation are also sometimes used interchangeably with livelihoods. The latter, however, covers a combination of people's resources (assets, capacities) and the activities they carry out to live. More specifically the resources include individual skills (human capital), land (natural capital), savings (financial capital), equipment (physical capital), as well as formal support groups and informal networks (social capital).

Gender: the social attributes associated with being male and female and the relationships between women and men, boys and girls. These attributes are socially constructed and are learnt through socialization processes. They are context and time specific and, therefore, changeable. Armed conflict is not gender neutral in terms of impact. Gender should, therefore, be taken into account in post-conflict response. Despite conflicts' adverse impacts, they can also provide a window of opportunity for promoting gender equity and progress if the positive gender role changes generated are seized upon through employment creation and other post-conflict responses.

Informal economy: forms part of the market economy in that it produces (legal) goods and services for sale and other forms of remuneration. It covers informal employment in small unregistered or unincorporated enterprises, and outside formal enterprises. Informal entrepreneurs and workers share one important characteristic: they are not recognized nor protected under existing legal and regulatory frameworks. The informal economy excludes the criminal economy and the reproductive or care economy.

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[37] *See Cluster Working Group on Early Recovery, Guidance note on Early Recovery, April 2008, page 9.*

Labour market : a system consisting of job seekers and opportunities in the formal and informal economy. It also includes institutions and policies. Among the latter are active labour market policies (ALMPs) which provide income replacement and labour market integration measures to those looking for jobs, usually the unemployed, but also the underemployed and even the employed who are looking for better jobs. Passive policies are those that are concerned with providing replacement income during periods of joblessness or job search, whereas active policies concern labour market integration. Indeed, active support for labour market integration is the main thrust of ALMPs. Broadly speaking then, passive policies correspond to social transfers that are not conditional upon joining a training or work programme, though they usually include job search provisions that are increasingly enforced and which correspond to an active element in passive policies. To the contrary, active policies are contingent upon participation in such programmes in order to enhance labour market (re)integration. Typical passive programmes are unemployment insurance and assistance and early retirement. Typical active measures are labour market training, job creation in form of public and community work programmes, programmes to promote enterprise creation and hiring subsidies. Active policies are usually targeted at specific groups facing particular labour market integration difficulties, such as younger and older people, women and the disabled.

Peacebuilding: all the multifaceted efforts to support and strengthen peace as well as to prevent relapse into conflict.

Peace dividend: the notion of peace dividend denotes the set of positive socio-economic outcomes that result from greater physical security, political stability, government engagement and international support in the post-conflict environment. Such dividends can include jobs, training and rehabilitation opportunities, livelihood rehabilitation, re-opening of businesses, the possibility for displaced people to reclaim their lands, improving public transportation as well as the resumption of basic social services provision. Peace dividends are expected to increase the opportunity cost of conflict recurrence for likely combatants and provide a sense of normalcy that will, in turn, help consolidate peace and foster recovery in a cumulative manner.

Post-conflict setting: does not imply complete cessation of fighting nor complete restoration of security and resolution of the conflict's root causes. It entails the period after the signing of a peace agreement. It spans humanitarian and early recovery, transition to recovery and development. These contexts, however, need not be sequential but can co-exist and also shift easily from one to the other. It is a very complex setting, often with large numbers of vulnerable people to be absorbed into civilian life, considerable social, economic, physical and institutional destruction, a weak government, reduced functioning of coping mechanisms at individual, community and national levels and many other demands to be met.

Recovery: measures geared to restoring local capacity to rebuild the community fabric and other essentials to enable the country to recover from the crisis.

Reinsertion: the assistance offered to ex-combatants during demobilization but prior to the longer-term process of reintegration. Reinsertion is a form of transitional assistance to help cover the basic needs of ex-combatants and their families and can include transitional safety allowances, food, clothes, shelter, medical services, short-term education, training, employment and tools. While reintegration is a long-term, continuous social and economic process of development, reinsertion is a short-term material and/or financial assistance to meet immediate needs, and can last up to one year.

Reintegration: the process by which ex-combatants acquire civilian status and gain sustainable employment and income. Reintegration is essentially a social and economic process with an open time-frame, primarily taking place in communities at the local level. It is part of the general development of a country and a national responsibility, and often necessitates long-term external assistance. The purpose of reintegration programmes is to contribute to building sustainable peace, the conflict-affected people's return to civilian life and improved material and social conditions. Employment and income-generation constitute one of the building blocks in the construction of the edifice not only for integrating or absorbing conflict-affected people but also for long-term peace.

Transition phase: the period between the immediate aftermath of a conflict/early recovery and development. During the transition, there is a shift of emphasis from short-term life-saving measures to restoring livelihoods.

ANNEX 5 : Acronyms

ADB	Asian Development Bank
ALMPs	active labour market policies
BCPR	Bureau of Crisis Prevention and Recovery
BDS	business development services
BWIs	Bretton Woods institutions
CAS	Country Assistance Strategy
CBO	community-based organizations
CDR	community driven development
CEDAW	Convention on the Elimination of all Forms of Discrimination Against Women
CGAP	Consultative Group to Assist the Poor
CRC	Convention on the Rights of the Child
CSO	civil society organizations
CWER	Cluster Working Group on Early Recovery
DDR	disarmament, demobilization and reintegration
DESA	Department on Economic and Social Affairs
DPA	Department on Political Affairs
DPKO	Department on Peacekeeping Operations
ECOSOC	Economic and Social Council
EGS	employment guarantee schemes
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
HIV	human immunodeficiency virus
IASC	Inter-Agency Standing Committee
IAWG-DDR	Inter-Agency Working Group on Disarmament, Demobilization and Reintegration
ICT	information and communication technology
IDDRS	Integrated Disarmament, Demobilization and Reintegration Standards
IDPs	internally displaced persons
IFIs	international financial institutions
ILO	International Labour Organization
IMF	International Monetary Fund
IPBS	integrated peacebuilding strategies
KILM	key indicators of the labour market
LED	local economic development
LER	local economic recovery
M&E	monitoring and evaluation

MDG	Millennium Development Goal
MIGA	Multilateral Investment Guarantee Agency
MSME	micro, small and medium enterprises
NGO	non-governmental organization
ODA	overseas development assistance
OHCHR	Office of the United Nations High Commissioner for Human Rights
OSAA	Office of the Special Adviser on Africa
PBC	Peacebuilding Commission
PBSO	Peacebuilding Support Office
PCNA	post-conflict needs assessment
PES	public employment services
PRSP	poverty reduction strategy paper
PSD	private sector development
QIPs	quick impact projects
SC	Security Council
SCR1325	Security Council Resolution on Women, Peace and Security
SIYB	start and improve your business
SRSG CAAC	Special Representative of the Secretary-General on Children in Armed Conflict
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
WB	World Bank