

**Lessons from Global Reconstruction Experience:**  
*Strategies for Recovery in the Middle East and North Africa*

## **Introduction**

In 2019, ISE produced a report that examined global experience and knowledge gained since World War II to provide potential insights for peacebuilding and reconstruction processes in Syria, Iraq, Yemen and Libya. The report provides a framework and analytical overview that will help governments and international actors make decisions about the required tradeoffs and opportunities involved in the reconstruction and peace building processes. In Syria, Iraq, Yemen and Libya, it may not be feasible to pursue a reform path that relies on a nationwide commitment. But even in the absence of a national consensus, improved governance arrangements at the city or provincial level may be possible. Similarly, reconstruction efforts may be achievable in specific cities or certain locations and regions.

## **Understanding Context: The Four Conflict Cases**

Appropriate strategies must take into account the specific contexts of the states in question. Libya, Syria, Iraq and Yemen differ along a range of socio-economic and governance dimensions. These include unitary vs. federal political structures; single vs. multi-party systems; religious and sectarian tensions and tribal identities; degree and cause of conflict; and levels of income, natural resource endowment, and human capital. Additionally, regional and international actors have played varying roles with the result that the geostrategic contexts surrounding each country are unique. At the same time, there are important similarities. For all four, state-led development models initiated after independence in the 1950s and 1960s failed to generate enough growth. With the shift to a market-based economy in the 1980s, institutional structures were inadequate to support economic reforms. Economic and political paces of change were not synchronized and citizens lacked voice, resulting in governance and accountability deficits.

## **Judging the Open Moment and Identifying the Locus of Consensus for Stability**

*Factors to Consider:* In Libya, Syria, Iraq and Yemen there are a range of scenarios that could occur over the next few decades that potentially can constrict or open spaces for recovery and reconstruction. These include ongoing conflict; consolidation of control by one actor with reconstruction limited in scale and external actor involvement; geographically limited reconstruction, and different forms of peace agreements and political arrangements.

## **Setting the Strategic Big Picture (strategy and overarching goals for peacebuilding and reconstruction)**

*The Big Picture:* The long-term goal of any peacebuilding and recovery process is to close the “sovereignty gap” or the gap between current state behavior and the state’s full ability to deliver on the expectations of its citizens and honor its international obligations. This requires building consensus between citizens on a state and type of governance that is accountable, just and inclusive. However, it is important to be realistic about context: conditions may not permit a clear path, and particularly a political consensus.

*Creative Entry Points:* When there is not a political and social consensus, international actors and multilateral organizations have to find other entry points. Where security conditions allow, entry points

may exist on the local or municipal level and can support governance and build support for a new social contract. These can be human capital driven, municipality based, market or regionally driven, and beyond.

*Building Consensus for Recovery Strategies and Priorities:* ISE has developed an applied methodology, Critical Stakeholder Inquiry, for convening and facilitating a series of gatherings with decision makers and key segments of society. The aim is to identify the critical issues and opportunities facing the state and society, facilitate consensus and create a vision and identify entry points for how that vision can be executed. This inclusive methodology can be applied at national or sub-national levels.

*Sequencing and Prioritization:* Though strategies for building state capacity are phased over a 10–20-year time period, priority areas and how they will be sequenced must be decided early on. There is no single form of state or sequence for state building that must be followed. Domestic leaders will have to continually build and rebuild consensus around these priorities as facts change and the recovery process enters new stages.

### **Achieving the Strategy Through Policies and Institutions**

*Levels and Functions of Governance:* A functioning state does not require that functions are exercised centrally; they can be performed at the village, city/municipal, provincial/governorate and district levels. For some of the MENA countries, the city level may be the more relevant governance unit.

*Getting Civil Service Right:* Key revenue and spending ministries need to be insulated from patronage hiring as much as possible, and for other ministries, a program of re-training, recertification and gradual turnover can help establish an adept and clean civil service.

*Building a Transparent and Accountable Budget Process:* Public procurement can be a major driver of inefficiency and corruption. Useful practices include national certification and accreditation systems.

*Designing Service Delivery Mechanisms and Platforms:* Multi-stakeholder platforms, such as Indonesia's Kecamatan Development Project (KDP), can provide broader service delivery coverage and have shown that community partnerships can lighten the load on weakened government institutions.

*Establishing Security:* The re-establishment of law and order is a pre-condition for progress in other areas. Careful design and understanding of incentives should attempt to avoid unintended consequences, including how benefits to one group might exacerbate grievances with other population groups.

*Spurring Economic Growth and Fostering Economic Linkages:* The four MENA countries at issue have resources of their own that could potentially support economic recovery and future growth. An assessment of the remaining assets of these countries could identify potential sources of recovery and economic growth.

*Human Capital-Driven:* Establishing a strategy early for human capital management is a core precondition for reconstruction and recovery efforts, investing in all citizens for the future development and capacity of the state. Investment in education systems in post-conflict settings is important for long-term development, aligning the education system to the needs of public, private sector and society.

*Incorporating Citizen Perspectives and Needs in Reconstruction and Recovery:* Beyond economic, physical and institutional rebuilding, the socio-cultural dimension of recovery is just as important. This can be incorporated into transitional justice processes, which can include fact-finding institutions such as truth and reconciliation commissions.

## **Operational Considerations**

*Planning and Delivery:* Ideally, strategies for peacebuilding and recovery should be set by domestic stakeholders. In the conflict cases of MENA, involving citizens in planning and delivery of recovery strategies can be done in a variety of ways, including through spatial planning, demand-side accountability, or involving citizen perspectives in monitoring programming.

*Budgeting and Public Financial Management:* In countries where public finance systems have fragmented and local councils have taken on more of those responsibilities, including in parts of Syria, Libya or Yemen, it will be important to establish coordinated rules for the disbursement of domestic and international funds to increase efficiency, transparency, and accountability.

*Technical Assistance:* When more granular-level diagnostics are used, such as team-based performance management approaches within ministries, issues and challenges are more easily spotted, making it easier for technical assistance to be targeted, flexible, and empowering to domestic stakeholders.

*Balancing the Portfolio:* Typically, education is overfunded, whereas infrastructure, corrections, policing, and other services are underfunded. One approach countries have taken is “gap management” where governments set an agenda to balance needs with the availability of funding and donor-imposed constraints.

*Civil Service Reform:* Reform can benefit from early investment in team-based performance management, where teams within ministries design action plans to support overall ministerial-level objectives. These plans become the basis for a “contract” that justifies the unit budget and defines the team’s outputs.

*Market Building:* South Korea, which focused on manufactured exports and centers of innovation, is one of the strongest examples of industrial policy and private sector development. While fostering major industries can be a long-term strategy, support for small and medium-size firms is also useful.

*Building Trust, Citizen Engagement:* Methods include building identity around a shared purpose through an official narrative. Participatory visioning and planning exercises are another strategy.

*Asset Mapping for Economic Growth:* Asset maps assess capacity across categories of assets to produce a country balance sheet, detailing assets, constraints, challenges and liabilities. These asset maps can help identify and uncover true value and inform strategic decisions. Taking stock of these assets provides a baseline of what exists after conflict and allows for more targeted international assistance. Asset categories can include: human capital and quality of life rate; institutional capital; rule of law and regulatory capital; security and safety; heritage capital (e.g., cultural attractions and institutions, national image, natural features and landmarks); natural capital; financial capital; communication capital; built/industrial capital; and industrial output.

## **Anticipating Recurring Challenges and Issues**

Key challenges and recommendations include:

- Realize and mitigate the distortions that external partners introduce by their presence in country
- Tackle corruption and the criminal economy
- Leverage the positive role of diaspora communities while mitigating some of the tensions
- Recognize how identity, culture, and history can contribute to peacebuilding and reconstruction
- Be more sensitive to the role of parliaments when applicable

## **Tracking Change Over Time in Peacebuilding Processes**

As a country emerges from violence, it is important to bear in mind the interplay between political and economic goals and metrics. Progress along one dimension (e.g., economic growth) may not equate to progress along another dimension (e.g., inequality) and therefore could hamper overall reconstruction and transition efforts.

### **Conclusion**

The long-term goal in any reconstruction and peacebuilding context is to build national institutions that are accountable, legitimate and clean. Given contextual challenges and conflict dynamics this may not be possible in the short- to medium-term, but the question of what character governance will take remains. There is opportunity to re-think reconstruction and peacebuilding processes, look for creative entry points, and incorporate citizens as active leaders of their futures. To do so, lessons from other reconstruction and post-conflict cases are instructive, but perhaps the most important factor is what citizens want to see for their own futures. We need to listen and learn from them and tailor our approach to that consensus."