TO: Members of the Policy Committee
A: Participants at the 28 November Policy Committee meeting
(see distribution list)

DATE: 29 November 2006

REFERENCE:

THROUGH:
S/C DE:

FROM: The Secretary-General

DE:

SUBJECT: Decisions of the Secretary-General – 28 November 2006 Policy Committee Meeting

OBJET:

Decision No. 2006/49 - Nepal

i. As the Security Council considers the Secretary-General’s letter it is imperative that the Secretariat, in particular PRSG Ian Martin, engage Council Members and other key Member States with a view to explaining and providing the rationale for the proposed course of action. In particular, the importance of deploying an advance group of monitors and electoral staff in response to the Nepalese request, in addition to the dispatch of a Technical Assessment Mission, should be explained. It should be emphasised that no deployment will take place without the necessary security arrangements and logistical support being in place. Key members of the GA should also be engaged at this stage regarding the financial implications of current and future operations in Nepal.

(Action: PRSG and DPA)

ii. The mission in Nepal will be a ‘special political mission’, with current DPA departmental leadership remaining in place, subject and without prejudice to a review of the lead department to be made at a later date. All concerned departments and offices should act urgently and in coordination to provide the considerable political and administrative/logistical support that is required to set the planned operation on a solid footing.

(Action: DPA, DPKO, DM and relevant departments and offices)

iii. While the request for UN assistance in this transition phase is focused on specific areas, close coordination should be maintained within the UN System in order to ensure that expected UN assistance in areas outside the scope of the anticipated mission and during the post-election phase flow seamlessly from the targeted task of the mission. The UN Country Team should review its programming and provide a report on how UN assistance, outside the scope of the anticipated mission, is being planned (or adjusted) in support of the transition. This report should be provided to the SG via UNDGO by the end of January 2007.

(Action: Nepal UNCT, UNDP)

Decision No. 2006/50 – Economic and social elements of peacebuilding, including employment generation and reintegration

i. ILO and UNDP/BCPR will jointly consult with working group members and draft a UN system-wide policy paper on post-conflict employment creation, income generation and reintegration by April 2007, using the annexed terms of reference. The World Bank and the IMF will be consulted during preparation of the paper. Following the paper, an operational guidance note will be finalized by July 2007, to promote implementation at country level.

(Action: ILO and UNDP/BCPR)
ii. On immediate reintegration and income generation schemes targeted to individuals (short-term stabilization, especially targeted at ex-combatants including former child soldiers and youth associated with fighting forces, abducted girls, widows, refugees and IDPs):

a. In all post-conflict contexts, UNDP will finalize current DSRSG/RC/HC capacity building initiatives (as undertaken within the IASC framework for Early Recovery), in order to support functioning of these coordinating bodies in post-crises settings, and to ensure implementation of the future policy guidance note on employment creation, income generation and reintegration. UNHCR and UNDP will strengthen their capacities for early planning and management of quick impact programmes for returnees to lay the basis for follow-on reintegration activities. (Action: UNDP, UNHCR)

b. In peace keeping operations, DPKO will strengthen its capacities for the early planning and management of quick impact programmes and reininsertion programmes for ex-combatants to lay the basis for follow-on reintegration activities. This will be done in an integrated manner, in accordance with the IDDRS. All departments, agencies, funds and programmes will implement the Integrated DDR standards especially the integrated approach to planning to enable the early establishment of reintegration programmes. (Action: DPKO, all entities implementing IDDRS)

iii. To address the gap between existing knowledge on employment generation and reintegration on the one hand, and implementation of that knowledge in the field on the other hand:

a. UNDP, in close association with ILO, will take the lead in rationalizing knowledge management on post-conflict employment generation and reintegration; and

b. UNDP and ILO will develop internal capacity (surge, roster, etc.) to support implementation of the "Decent Work Programme" in post-conflict settings. (Action: UNDP and ILO)

iv. A detailed report on status of implementation of the above decision will be provided to the Policy Committee in May 2007. (Action: UNDP and ILO)

* * *

cc: Deputy Secretary-General
Mr. Namibi
Ms. Barcena
Mr. Dervis
Mr. Gambari
Mr. Guéhenno
Mr. Egeland
Mr. Tharoor
Mr. Ocampo
Ms. Arbour
Mr. Michel
Mr. Orr
Annex

Terms of Reference – Recommendation 1

UN Task Force Responsible for the Development of a Policy Paper and Operational Guidance Note for "Employment Creation, Income Generation and Reintegration in Post-Conflict Settings"

Note to the reader: These Terms of Reference should be read in conjunction with the “Employment Creation, Income Generation and Reintegration” paper submitted to the Policy Committee, and forms an integral part of it.

Goals

The Policy Paper and Operational Guidance Note will serve two purposes:

1. To address the conceptualization gap in “Employment Creation, Income Generation and Reintegration in Post-Conflict Settings”;
2. To serve as a joint UN instrument for “shared” policies, tools and good practices, specifically on how to link employment with reintegration.

Background

Employment creation and income generation in post-conflict settings are essential contributing factors towards successful reintegration of ex-combatants, refugees and IDPs, children and youth, and other vulnerable groups, which is a critical part of any successful peace building efforts. However, this subject has not yet received full attention and prioritization. So far, individual UN departments and agencies operating in this context have developed a number of policies, tools and good practices. However, these have not been adopted by the UN system as a whole.

In addition to these operational gaps in employment generation and reintegration, the UN is also faced with a “conceptualization gap” in post-conflict employment creation and income generation. At present no UN system-wide policy on post-conflict employment creation and income generation exists. The subject has not yet received the attention and prioritization that is required, despite its critical importance as an essential component of any stabilization and Peacebuilding intervention.

Similarly, mutual dependency and inter-linkages between employment, reintegration objectives and socio-economic interventions are thus far ill defined, despite policies and interventions with regard to the latter being fairly well advanced. Employment generation simultaneously contributes to, and is dependent on, the successful reintegration of ex-combatants, IDPs, children and youth, refugees and other vulnerable groups. It also provides these constituencies with essential protection and social services.

The conceptual basis for the UN’s work in post-conflict employment and income generation and its linkages to reintegration and socio-economic interventions should hence be better defined in a manner that allows for an effective integrated and coordinated deployment of UN system-wide capacities in this area, based on a shared understanding of the UN’s comparative advantages relative to other multilateral, Government, private sector and civil society actors.
Composition of the Task Force
- The task force will be co-lead by ILO and UNDP/BCPR
- Membership of the task force is open to all agencies working on employment generation and reintegration issues in post-crises settings. [Already identified members: UNHCR, UNICEF, DESA, BDP]

Timeframe
- The draft policy on post-conflict employment creation, income generation and reintegration will be presented to UNDG and EC-ESA for review in April 2007 and submitted to the Policy Committee in May 2007. By July 2007 an operational guidance note will follow the paper, to promote implementation at country level.

Tasks and Deliverables
1. Develop a UN policy paper that provides the conceptual basis for post-conflict employment creation and income generation and its linkages to reintegration, focusing on the normative, facilitative and technical roles of the UN system.
   Output: UN system wide agreed policy paper.
2. Develop a UN operational guidance note on the same subject that provides practical guidance to UN actors at the field level responsible for managing and implementing employment creation, income generation and reintegration programmes and how to best link those with reintegration and recovery strategies.
   Output: UN system wide agreed operational guidance note.

The policy paper and operational guidance note will need to cover the following issues:
- Clarify conceptual and sequential differentiation between;
  a) Immediate post-conflict stabilizing income generation measures targeted at individuals including youth;
  b) Sustainable employment generation and reintegration programs - including the promotion of self-employment, alternative livelihoods and skills development - through local recovery interventions at urban and rural/community levels, and
  c) Supporting a national enabling environment for employment generation and reintegration.
- Identify institutional linkages and operational synergies between a, b and c;
- Suggest guidance on how those linkages can be promoted in programming in the field, taking into account
  a) Risks of marginalization, and protection and inclusion of vulnerable groups,
  b) Private sector development,
  c) Community / area based recovery and development,
  d) Agriculture
  e) Gender, age and diversity variables,
  f) Land and property rights,
  g) Natural resources management,
  h) Macro-economic and fiscal policies,
  i) Participation and multi-stakeholder dialogue;
  j) Improvement of Decent Work conditions
- Define the UN's comparative advantages in a post conflict environment in each of these areas relative to other national and international actors (defined generically, non-country specific, though it is advised to differentiate identified comparative advantages according to a typology of different post-conflict socio-economic environments);

- Identify practical ways to optimize deployment of UN capacities in these areas of comparative advantage, measured both in time and scale. In doing so, the following needs to be incorporated:
  a) Shared policies, tools and good practices
  b) Role of the DSRSG/RC/HC
  c) Link with IASC Early recovery Cluster

- Identify remaining UN capacity gaps, relative to the defined UN's comparative advantages and its optimum deployment, not as yet addressed in the "Employment generation and reintegration" paper and outline options to address these;

Identify required differentiation in approaches according to different groups of beneficiaries, in particular ex-combatants and other people associated with armed groups, youth and adolescents, women, IDPs, and refugees".
Policy Committee Meeting, 28 November 2006  
Summary Record of Discussion

Agenda Item 1: Update on Nepal

1. The update note was introduced, including the Secretary-General’s letter to the Security Council President. The UK was in the lead on drafting a reply which hopefully would be a simple acknowledgment of the proposals made in the Secretary-General’s letter. This would provide sufficient grounds for budgetary commitment authority for the technical assessment mission and the advance deployments. Based on the Controller’s advice, the mission would be a ‘special political mission’ which was without prejudice to which department ultimately would be in the lead.

2. Further progress had been made between the parties, who were signing the modalities agreement after several days of intense negotiations. This would help answer questions from Member States that were considering contributions to the mission. The interim constitution was also very close to being finalized which would put even more pressure on the UN to move quickly. There were many very tight and unrealistic deadlines but it was very important for the elections for the Constituent Assembly to happen before the monsoon season in 2007.

3. The technical assessment mission needed to be deployed quickly and should be relatively small, using capacities already on the ground and tightly focused on the tasks which the mission would be assigned. The assessment would result in a report from the Secretary-General to the Security Council and a proper budget request to the relevant GA bodies. With regard to the structure of the future mission, it was argued that its focus on relatively well defined tasks was not inconsistent with an integrated mission model. Initial estimates indicated a total size of about 1,000 people and a cost of $150-200 million. This included 263 military monitors, 93 electoral staff and 45 civil affairs staff. The importance of giving the monitors visibility as UN personnel was emphasized, e.g. through blue hats and non-military uniforms with UN armbands.

4. A public information component should also be built into the mission mandate. It was recalled that a public information strategy should have been under development already as per the Secretary-General’s decision following the previous Policy Committee meeting on Nepal.

5. OHCHR’s role was mentioned explicitly in the Comprehensive Peace Agreement and the MoU between the Government and OHCHR was about to be renewed. So far, OHCHR’s operations in Nepal had been financed from extra-budgetary resources and no difficulties were expected in securing this funding going forward. It was agreed that OHCHR’s staff should therefore continue to be funded with voluntary contributions and not be moved onto mission posts. This could then be augmented with liaison posts in the mission. Close coordination between the different monitoring functions was going to be very important.
6. With regard to the first recommendation, it was also important to engage the GA on the funding of the future missions. The other two recommendations were endorsed with minor amendments.

**Agenda Item 2: Economic and social elements of peacebuilding, to include employment generation and reintegration**

7. The interim report of the working group on employment generation and reintegration in post-conflict settings was introduced. The working group on the issue, established by the Policy Committee, represented the beginning of a coordination effort across the UN-system. It was noteworthy that specialized agencies were also involved.

8. It was underscored that the issue of employment generation and reintegration in post conflict settings was critical to the work of the UN and that, thus far, the UN’s interventions had lacked a longer-term perspective and were not placed within a more comprehensive peacebuilding strategy. As a result, short-term actions had sometimes hindered or delayed long-term development.

9. It was reported that short-term measures had occasionally dragged on for too long or created disincentives that had ultimately undermined the local economy or created the expectation of continuity. The example of Lebanon was offered, where the injection of food after the end of hostilities had proven harmful to local agriculture and consequently harmful to employment generation objectives. The example of Namibia was also proposed whereby monetary compensations created expectations of continuity in affected individuals. It was added that in contexts where there was a peacekeeping mission, the mission itself had an opportunity to kick start an employment generation strategy by relying heavily on local human resources and avoiding distorting the local labour market. As an example, one important linkage could be the use of peacekeeping engineering units with local labour under a UNDP employment generation framework.

10. It was noted how essential it was to coordinate UN work with that of the Bretton Woods Institutions, particularly with the World Bank. Likewise, the IMF’s role was critical. Its budgetary requirements had often been incompatible with the goals of employment generation and fast economic recovery. The importance of re-energizing the private sector after a conflict so as to ensure sustainability of employment creation strategies was underscored. It was well known that pools of unemployed were pools for recruitment in illegal activities.

11. It was felt that employment generation strategies had to be at the core of any peacebuilding effort. Accordingly, they had to figure prominently in the work of the PBSO and in discussions and resolutions within the PBC.

12. The recommendations were endorsed by the Policy Committee and will be submitted to the Secretary-General for his approval. It was pointed out that in the
preparation of the UN policy on employment generation in post conflict settings both DPA and the PBSO had to be involved.

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Note to the Secretary-General
through the Deputy Secretary-General

Policy Committee Meeting of 28 November

Please find attached the draft decision memo and summary record of discussion from the 28 November Policy Committee meeting, for your review and signature.

Robert Orr
29 November 2006
Background Briefing Note for the Secretary-General

Policy Committee meeting of 28 November 2006

Agenda Item 1 – Substantive Update on Nepal
(Guest: PRSG Martin)

- Given fast moving events DPA has prepared an short update on Nepal, but it includes a few recommended decisions aimed at galvanizing UN response.

- Ms. Kane is prepared to briefly present the paper, and Mr. Martin may provide a more full elaboration.

- The update note outlines the Nepalese request for UN assistance in the management of arms and armed personnel, human rights monitoring and electoral assistance. It provides your recent letter to the Security Council indicating your intention to deploy a technical assessment mission and advance monitoring personnel immediately, and to present a full concept of operations for a UN mission based on further work on the ground with the parties.

- The note underscores that the modalities for the management and monitoring of arms and armed personnel are being worked out by PRSG Martin and the parties. You might wish to ask Mr. Martin how he sees the prospects for these negotiations are, and whether there are any points of concern with implications for the wider political transition.

- The note also points out Nepali and Indian concerns regarding a Security Council mandate, particularly for any long engagement. These concerns have apparently eased somewhat, and might be further assuaged through linking UN engagement as part of a framework to support the 2007 Constituent Assembly, thus limiting its time horizon.

- There are three recommendations: some key messages for Council members and other concerned states on the need to operationalise UN support quickly; a tasking for all UN departments to coordinate in support of the PRSG’s mission; a tasking to the UN Country Team to review programmes and provide a report on how UN programming will support the evolving political process.

Agenda Item 2 - Interim report on ‘Economic and social elements of peacebuilding, to include employment generation and reintegration’
(Guest: Mr. Legwaila)

- Mr. Dervis will present. You decided at the 5 September 2006 meeting that the UN’s capacity in a number of key peacebuilding sectors should be rationalized. To that end, a working Group was established to look at the UN’s work on employment generation in post conflict.
The working group, chaired by UNDP, concurs that the UN does not have a system-wide policy framework for post-conflict employment creation, income generation and reintegration. It is premature to present such a policy to the Policy Committee.

Nevertheless, the working group proposes an interim report to the Policy Committee containing recommendations on how to address the lack of a system-wide policy and on how to achieve system-wide improvements in the immediate term. In the immediate term, there is a need to rationalize UN approaches to employment generation support at the level of individuals in need, at the community level, and the macro level. (recommendations ii, iii and iv)

To address the conceptualization gap, it is recommended that you task ILO and UNDP/BCPR to draft a UN system-wide policy paper on post-conflict employment creation, income generation and reintegration by April 2007. It is vital that the working group and the Bretton Woods Institutions consult closely during preparation of the policy so as to coordinate better in support of post-conflict sustainable economic recovery.

An operational guidance note to be finalized by July 2007 will follow the paper, to promote implementation at country level.

The actions recommended for decision now touch upon the immediate post-conflict phase and the subsequent medium-term phase. It is underscored that if actions in the two phases are meant to be in succession, planning has to start at the same time so as to ensure smooth transition between the two.

On immediate action related to reintegration and income generation schemes targeted to individuals, DPKO, UNDP, UNHCR are tasked with implementing recommendations which include: finalizing DSRSG/RC/HC capacity building initiatives (UNDP), strengthening capacities for early planning and management of quick impact programmes for returnees (UNHCR and UNDP), and strengthening quick impact programmes for ex-combatants (DPKO).

With regard to medium-term activities, recommendations aim at bridging the gap between system-wide knowledge on employment generation and reintegration and implementation of that knowledge. UNDO and ILO are tasked with implementing the recommendations.

It is proposed that the Policy Committee receives in the second quarter of 2007 a comprehensive policy on post-conflict employment creation, income generation and reintegration and reviews the status of implementation of recommendations endorsed by you today.
Note to the Policy Committee

NEPAL

Background

1. With the signing of the Comprehensive Peace Agreement (CPA) between the Government of Nepal and the Communist Party of Nepal (Maoist) (CPN(M)) on 21 November 2006, the prospect for lasting peace in Nepal has advanced significantly. The Agreement is widely welcomed in Nepal and popular feeling is described as “euphoric”. With this significant progress, the UN now has the challenge of responding rapidly to the request for assistance from the Parties and meeting the high expectations in Nepal.

2. The CPA was preceded by an Agreement between the Seven-Party Alliance in Government and the CPN (M) signed on 8 November, which, among other things, defined the basic arrangements for the cantonment of the combatants of the Maoist People’s Liberation Army (PLA) and the storage of the arms and munitions of both sides. Based on this Agreement, the Nepalese Deputy Prime Minister and Foreign Minister wrote to the Secretary-General reiterating their request for UN assistance in several areas, namely: continued human rights monitoring, monitoring of arms and armed personnel, electoral assistance and assistance in the monitoring of the Ceasefire Code of Conduct.

3. With regard to the management of arms and armed personnel the UN has been asked to provide qualified monitors supported by appropriate technical capacity. These would be civilians with military background and serving military officers in civilian clothes. The specific modalities are currently being discussed among the Parties and PRSG Ian Martin and his team and a Technical Assessment Mission will be sent to Nepal to undertake necessary information-gathering and planning for deployment of the monitors. The Parties sought UN monitoring as of 21 November 2006, although Mr. Martin had informed them that this timeline would be impossible for the United Nations to meet since the modalities for the monitoring had yet to be negotiated and an appropriate Security Council mandate and legislative funding authority would need to be secured before any monitors could be deployed.

4. On the electoral side, the plan that PRSG Martin is currently discussing with the Election Commission of Nepal is two-fold: to provide technical assistance to the Election Commission; and to undertake coordination of donor support on behalf of the Election Commission. Given the limited time available to develop a framework and infrastructure for the electoral process, as well as to enhance the Election Commission’s capacity to administer a credible Constituent Assembly election, the Secretariat is evaluating modalities for an optimal assistance programme to meet these needs as well as additional options to respond to the request for electoral monitoring.

5. Since its establishment in Nepal in May 2005, OHCHR has played a key role in the developments leading up to the peace agreement. Through its monitoring, reporting and advocacy work, especially through its presence in all regions, OHCHR-Nepal has had a positive impact on the situation on the ground and has given added confidence to the peace process. The
Comprehensive Peace Agreement gives a direct mandate to OHCHR to monitor the extensive human rights provisions of the agreement. In order to meet this challenge, OHCHR intends to continue to give a strong emphasis on monitoring human rights in the regions, in addition to its advocacy activities at the national level. At the same time, in this new context, OHCHR will increase its capacity-building activities.

6. Beyond the areas where the UN has been asked to provide support in the more immediate aspects of the peace process, the Nepalese Parties have indicated their expectation that the UN system would accompany the broader efforts to establish lasting peace in Nepal. The UN Country Team is engaged in activities and international coordination to support the peace process. The UN system is and will be engaged in a variety of tasks that are of are likely to be of a longer-term nature (DDR, SSR, police advisory services, constitution-making, institution-building and restructuring and legal reform, among others).

7. The Secretary-General has responded to the Nepalese request with a letter to the Security Council seeking agreement to the dispatch of the Technical Assessment Mission and deployment of an advance group of monitors, and an initial team of electoral personnel. Once the consultations with the Parties have progressed sufficiently and the logistical support and security requirements for such for a mission's deployment have been assessed, the Secretary-General would propose to the Security Council a fully-developed concept of operations for the required tasks. Nepal as well as India had serious reservations about the involvement of the Security Council, but in recent weeks, following consultations in Kathmandu and in New York (including with key Security Council Members such as the US), both seem to have put aside some of these concerns as long as the Council's engagement doesn't become a long-term involvement. The course of action being proposed by the SG to the Council is framed within the context of Nepal's request for assistance in creating an atmosphere conducive to holding the planned Constituent Assembly elections (currently slated for June 2007) and is therefore time-bound.

8. Pending a SC mandate and budget approval DPA has requested Member States to support the immediate strengthening of PRSG Martin's office through voluntary contributions to the "Trust Fund in Support of the Special Political Missions and other Activities Related to Preventive Diplomacy and Peacemaking". A number of countries (e.g. UK, Norway and Switzerland) have indicated their intention to contribute immediately. DPA is in the process of requesting additional funding from the SG's fund for Unforeseen and Extraordinary Expenses.

9. Two different requests have been sent to Member States with regard to contributions for monitors. DPKO has sent a request for serving military (to be deployed unarmed and out of uniform) to some 17 Member States. DPKO/PMSS has sent a Note Verbale to all Member States for nominations of gratis civilian personnel with military background.

Recommendations

1. As the Security Council considers the SG's letter it is imperative that the Secretariat, in particular PRSG Ian Martin, engage Council Members and other key Member States with a view to explaining and providing the rationale for the proposed course of action. In particular, the importance of deploying an advance group of monitors and electoral staff
in response to the Nepalese request, in addition to the dispatch of a Technical Assessment Mission, should be explained. In particular, it should be emphasised that no deployment will take place without the necessary security arrangements and logistical support being in place.

2. Irrespective of the nature of the expected mission and the lead responsibility within the Secretariat, all concerned departments and offices should act urgently and in coordination to provide the considerable political and administrative/logistical support that is required to set the planned operation on a solid footing.

3. While the request for UN assistance in this transition phase is focused on specific areas, close coordination should be maintained within the UN System in order to ensure that expected UN assistance in areas outside the scope of the anticipated mission and during the post-election phase flow seamlessly from the targeted task of the mission. The UN Country Team should review its programming and provide a report on how UN assistance, outside the scope of the anticipated mission, is being planned (or adjusted) in support of the transition. This report should be provided to the SG via UNDGO by mid-December.
“Economic and social elements of peace building, to include employment generation and reintegartion”
Interim report to the Policy Committee

This note updates Policy Committee members on results achieved in the Working Group on “Economic and social elements of peace building”. The Working Group reached agreement on:

- One recommendation on development of a UN-wide policy for post-conflict employment creation, income generation and reintegration (draft ToR annexed). The draft policy will be presented to UNDG and EC-ESA for review in April 2007 and submitted to the Policy Committee in May 2007. An operational guidance note will follow by July 2007, to promote implementation at country level;

- Three operational recommendations aimed at short-term rationalization of the UN system, to be implemented before finalization of the above-mentioned strategy. Report on status of implementation of these recommendations, if endorsed, should be provided to the Policy Committee in May 2007.

Specific attention was given to the reintegration of ex-combatants, including former child soldiers and youth associated with fighting forces, refugees, IDPs and other vulnerable groups, and to broader socio-economic factors.

BACKGROUND

1. Whether in a ‘normal’ development situation or in a post-conflict context, employment creation and income generation are important parts of a poverty reduction strategy. In a post crisis situation rapid employment and reintegration are particularly important as they a) stabilize through reducing the risk of conflict and facilitating reintegration, b) provide part of the peace dividend, and c) provide the groundwork for a new development trajectory in part by catalyzing the monetization of the economy and the shift from subsistence living and humanitarian aid.

2. A multitude of specific factors complicate progress in post-conflict contexts, such as displacement of people, destruction of assets, high investment risks for the private sector, and lack of capacity and resources at national and local level. There are also often gaps and mismatches between demand and supply of labor, and a lack of prioritization of employment generation by actors working on peacebuilding.

3. There are also specific programmatic challenges. In the early post-conflict phases attention, is mostly on stabilizing and humanitarian action. Early programming for employment and reintegration demands capacity that is often not available. There is consensus however that programmes need to be integrated at the front and centre of the planning and programming process (peace negotiations, PCNA, CAP, UNDAF, etc.). Programmes should also be conflict sensitive and feasible (start small if necessary, build on local capacities, resources and skills).

4. The Peacebuilding Capacity Inventory identified specific challenges for the UN to be able to deliver in this sector. To name but a few, there is a need to raise UN-wide understanding and streamline knowledge on post-conflict economies, post-conflict employment generation and on how to foster sustainable reintegration of ex-combatants, addressing issues of child soldiers, female combatants, abducted girls and families. The Inventory also concludes that there is a need to strengthen and harness UN capacity (expertise, targeting, streamlining and external linkages) and to address the issue of communication, coordination and joint programming. Also, the issue of unpredictable funding and under funding for these types of programs should be addressed.

5. To deal with the all these challenges, the Working Group agreed that the first priority lies in further conceptualization on the subject. It suggests drafting a policy paper on “Employment
Creation, Income generation and Reintegration in Post-Conflict Settings” which would have to meet several demands. In the first place, it would contribute to fostering attention and prioritization of the subject as a critical component of stabilization and peace building intervention. The policy paper would have to define mutual dependencies and linkages between employment and reintegration, address the issue of how to best stabilize after a conflict, address the issue of sustainability and identify options for partnerships within and outside the UN-system.

6. Working Group members agreed that conceptualization is a necessary and logical first step before rationalization. However, the Working Group agreed that a couple of issues could be dealt with before the policy paper is finalized. These “priorities amongst the priorities” aim to rationalize current efforts, build on existing capacities and systems, and quickly improve delivery on employment generation and reintegration in post-conflict settings. The Working Group identified agencies responsible for leading the implementation of these recommendations.

7. Though the conceptualization exercise might further develop this, three major baskets of issues on employment generation and reintegration were identified at the individual, community and macro levels: a) immediate income generation measures targeted at individuals (mainly at ex-combatants including former child soldiers and youth associated with fighting forces, IDPs and returnees), b) employment generation and return/reintegration programs -including the promotion of self-employment- through recovery at community and livelihoods level and c) support to the national enabling environment for employment generation and reintegration/return.

8. **Stabilizing measures:** considering the importance of early, consulted, and scaled up stabilizing measures in post-conflict settings, the Working Group had a close look at existing capacities, responsibilities and mandates in this area. There was consensus that priority should be given to making existing post-conflict consulting and planning mechanisms work better, before designing new ones. Priority attention should be given to strengthening knowledge management and coordination mechanisms in the field. This will be achieved through a couple of concrete steps focusing on increasing headquarters capacity to provide early support to DSRSG/RC/HC functions in post-crises settings (through the deployment of human resources, surge and roster capacity, funding mechanisms, etc.). Specifically, DPKO, UNDP and UNHCR were asked to strengthen their capacities as currently undertaken in IAWG/IDDRS and IASC framework.

9. **Creating opportunities for employment and reintegration:** as for the work on “creating opportunities” at the community/local level for employment and reintegration, the Working Group focused on how to make best use of already existing capacity, expertise and comparative advantages within the system, and how to speed up current rationalization efforts, such as those undertaken in IASC framework. The urgency lies in the implementation of existing policies and tools. UN system-wide knowledge management on post-conflict employment generation and reintegration measures at local level is considered another priority. For the short term, the Working Group agreed on UNDP and ILO to take the lead on addressing these specific gaps.

10. In most rural areas, the success of reintegration and return will to a large degree depend on the extent to which those returning are able to access and utilize land for the purposes of agricultural production. In this regard, land and property rights of women need to be given special consideration. Moreover, local level recovery, employment and wealth generation is inextricably linked to the revitalization of agricultural production and marketing, which

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1 ILO (policy advisory services, knowledge management, training and tools development, and technical assistance), UNHCR (field networks, knowledge of displaced and returnees), UNDP (recovery, implementing capacity) and World Bank (financial capacity for large scaled programmes), UNICEF, FAO, DESA, UNRWA, and UNCDF.
contributes to and in turn feeds off increased non-farm employment. Therefore, it is recommended that the policy paper addresses the special role of agriculture in revitalizing local level recovery and employment generation and the programming implications of this.

11. **Enabling environment for employment and reintegration:** last, the Working Group was not in a position to discuss at length the partnerships with the IMF and World Bank on how to best support the national enabling environment. There was agreement however on the need for the UN, the IMF and the World Bank to clearly delineate responsibilities in post-conflict settings in general, while still allowing that case-specific delineation of responsibilities should be determined in the field, on the basis of available capacities and country specific priorities.

12. The process of producing the policy paper on “Post-conflict employment creation, income generation and reintegration” should yield important insights into the 'complete picture', including the macro/enabling environment level, and should help distill what the UN and BWIs consider critical and what they each do best. Involvement of the BWIs at least as consultative partner in the development of the policy paper is therefore important. Based on the outcome of this exercise, the Working Group led by UNDP and ILO could determine implications with the BWIs of a possible rationalizing of capacities and roles.

**RECOMMENDATIONS**

(i) To address the conceptualization gap, it is recommended that the Secretary-General tasks ILO and UNDP/BCPR to jointly consult with working group members and draft a UN system-wide policy paper on post-conflict employment creation, income generation and reintegration by April 2007. Terms of reference for this policy paper are annexed. An operational guidance note to be finalized by July 2007 will follow the Paper, to promote implementation at country level.

(ii) Underlining the importance for all actors to fully use existing consulting and planning mechanisms to better deliver (scaling up, increasing impact) on immediate reintegration and income generation schemes targeted to individuals (short-term stabilization, especially targeted at ex-combatants including former child soldiers and youth associated with fighting forces, abducted girls, widows, refugees and IDPs) the following immediate consolidated actions are recommended:

| All post-conflict contexts | UNDP is to finalize current DSRSG/RC/HC capacity building initiatives (as undertaken within the IASC framework for Early Recovery), in order to support functioning of these coordinating bodies in post-crisis settings, and to ensure implementation of the future policy guidance note on employment creation, income generation and reintegration. UNHCR and UNDP will strengthen their capacities for early planning and management of quick impact programmes for returnees to lay the basis for follow-on reintegration activities. |
| Peace Keeping Operations | DPKO is to strengthen its capacities for the early planning and management of quick impact programmes and reinsertion programmes for ex-combatants to lay the basis for follow-on reintegration activities. This will be done in an integrated manner, in accordance with the IDDRS. All departments, agencies, funds and programmes to implement the Integrated DDR standards especially the integrated approach to planning to enable the early establishment of reintegration programmes. |

(iii) Rationalizing the UN-system for employment generation and reintegration through programmes targeted at communities and livelihoods (creating opportunities through local level recovery). Giving priority at this stage to addressing the gap between existing knowledge on employment generation and reintegration on the one hand, and implementation of that knowledge in the field on the other hand, it is recommended that:
- UNDP, in close association with ILO, to take the lead in rationalizing knowledge management on post-conflict employment generation and reintegration;
- UNDP and ILO to develop internal capacity (surge, roster, etc.) to support implementation of the "Decent Work Programme" in post-conflict settings.

(iv) **Rationalizing the system for creating an enabling environment for sustained employment and reintegration.** In the face of the inherent weakness of post-conflict states, clear lines of responsibility for development partners on supporting the national enabling environment would improve coordination on the ground. This requires a consultative process between the UN, the World Bank, the IMF and the regional development banks to substantially improve coordination mechanisms in this sector. Based on generally agreed principles, case-specific responsibilities may need to be determined according to respective capacities in post-conflict countries.

Detailed report on status of implementation of the above recommendations, if endorsed, should be provided to the Policy Committee in May 2007.

**IMPLICATIONS**

Agencies involved in the implementation of these short-term recommendations indicated that they will do so by employing existing expertise and resources.

**CONSULTATION**

Consultations on all aspects of this paper took place in the Working Group that included IMF, WB, ILO, UNDESA, UNDP, UNDPKO, UNHCR, UNICEF, CAAC, FAO and UNDP. All other Policy Committee members were consulted in the final stage of the drafting process.
Terms of Reference – Recommendation 1


Note to the reader: These Terms of Reference should be read in conjunction with the “Employment Creation, Income Generation and Reintegration” paper submitted to the Policy Committee, and forms an integral part of it.

Goals
The Policy Paper and Operational Guidance Note will serve two purposes:
1. To address the conceptualization gap in “Employment Creation, Income Generation and Reintegration in Post-Conflict Settings”;
2. To serve as a joint UN instrument for “shared” policies, tools and good practices, specifically on how to link employment with reintegration.

Background
Employment creation and income generation in post-conflict settings are essential contributing factors towards successful reintegration of ex-combatants, refugees and IDPs, children and youth, and other vulnerable groups, which is a critical part of any successful peace building efforts. However, this subject has not yet received full attention and prioritization. So far, individual UN departments and agencies operating in this context have developed a number of policies, tools and good practices. However, these have not been adopted by the UN system as a whole.

In addition to these operational gaps in employment generation and reintegration, the UN is also faced with a “conceptualization gap” in post-conflict employment creation and income generation. At present no UN system-wide policy on post-conflict employment creation and income generation exists. The subject has not yet received the attention and prioritization that is required, despite its critical importance as an essential component of any stabilization and Peacebuilding intervention.

Similarly, mutual dependency and inter-linkages between employment, reintegration objectives and socio-economic interventions are thus far ill defined, despite policies and interventions with regard to the latter being fairly well advanced. Employment generation simultaneously contributes to, and is dependent on, the successful reintegration of ex-combatants, IDPs, children and youth, refugees and other vulnerable groups. It also provides these constituencies with essential protection and social services.

The conceptual basis for the UN’s work in post-conflict employment and income generation and its linkages to reintegration and socio-economic interventions should hence be better defined in a manner that allows for an effective integrated and coordinated deployment of UN system-wide capacities in this area, based on a shared understanding of the UN’s comparative advantages relative to other multilateral, Government, private sector and civil society actors.

Composition of the Task Force
- The task force will be co-lead by ILO and UNDP/BCPR
Membership of the task force is open to all agencies working on employment generation and reintegration issues in post-crisis settings. [Already identified members: UNHCR, UNICEF, DESA, BDP]

Timeframe
- The draft policy on post-conflict employment creation, income generation and reintegration will be presented to UNDG and EC-ESA for review in April 2007 and submitted to the Policy Committee in May 2007. By July 2007 an operational guidance note will follow the paper, to promote implementation at country level.

Tasks and Deliverables
1. Develop a UN policy paper that provides the conceptual basis for post-conflict employment creation and income generation and its linkages to reintegration, focusing on the normative, facilitative and technical roles of the UN system.
   Output: UN system wide agreed policy paper.
2. Develop a UN operational guidance note on the same subject that provides practical guidance to UN actors at the field level responsible for managing and implementing employment creation, income generation and reintegration programmes and how to best link those with reintegration and recovery strategies.
   Output: UN system wide agreed operational guidance note.

The policy paper and operational guidance note will need to cover the following issues:
- Clarify conceptual and sequential differentiation between;
  a) Immediate post-conflict stabilizing income generation measures targeted at individuals including youth;
  b) Sustainable employment generation and reintegration programs - including the promotion of self-employment, alternative livelihoods and skills development - through local recovery interventions at urban and rural/community levels, and
  c) Supporting a national enabling environment for employment generation and reintegration.
- Identify institutional linkages and operational synergies between a, b and c;
- Suggest guidance on how those linkages can be promoted in programming in the field, taking into account
  a) Risks of marginalization, and protection and inclusion of vulnerable groups,
  b) Private sector development,
  c) Community / area based recovery and development,
  d) Agriculture
  e) Gender, age and diversity variables,
  f) Land and property rights,
  g) Natural resources management,
  h) Macro-economic and fiscal policies,
  i) Participation and multi-stakeholder dialogue;
  j) Improvement of Decent Work conditions
- Define the UN’s comparative advantages in a post conflict environment in each of these areas relative to other national and international actors (defined generically, non-country specific, though it is advised to differentiate identified comparative advantages according to a typology of different post-conflict socio-economic environments);
- Identify practical ways to optimize deployment of UN capacities in these areas of comparative advantage, measured both in time and scale. In doing so, the following needs to be incorporated:
  a) Shared policies, tools and good practices
b) Role of the DSRSG/RC/HC

c) Link with IASC Early recovery Cluster

- Identify remaining UN capacity gaps, relative to the defined UN’s comparative advantages and its optimum deployment, not as yet addressed in the “Employment generation and reintegration” paper and outline options to address these;
- Identify required differentiation in approaches according to different groups of beneficiaries, in particular ex-combatants and other people associated with armed groups, youth and adolescents, women, IDP’s, and refugees".
# ATTENDANCE LIST FOR POLICY COMMITTEE MEETING

**Tuesday, 28 November 2006**  
**9.30 to 11.00 a.m.**

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<td>Secretary-General</td>
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<td>Deputy Secretary-General</td>
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<td>Ms. Alicia Barcena</td>
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<td>Mr. Vijay Nambiar</td>
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<td>Mr. Shashi Tharoor</td>
<td>OHCHR</td>
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<tr>
<td>Ms. Louise Arbour</td>
<td>*via videoconference from Geneva</td>
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<td>Mr. Nicolas Michel</td>
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<td>Mr. Kemal Dervis</td>
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<td>Ms. Angela Kane</td>
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<td>Ms. Jane Holl Lute</td>
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<td>Mr. Ian Martin</td>
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<td>Mr. Legwaila Joseph Legwaila</td>
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<td>Mr. David Veness</td>
<td>DSS</td>
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<td>Mr. Robert Orr</td>
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* Mr. Gambari, Mr. Guéhennou, Mr. Egeland and Mr. Ocampo will not be able to attend