With the collaboration of:
ICEX Spain Trade and Investment

POST-CONFLICT RECONSTRUCTION IN MENA: PREVIOUS EXPERIENCES AND STAKEHOLDERS' INCLUSIVE INVOLVEMENT IN THE FUTURE RECONSTRUCTION OF LIBYA, SYRIA AND IRAQ

11th April 2016

Reconstruction is a complex and multidimensional process with economic, political and social dimensions involving local, national, regional and international actors, across public and private sectors

On 11th April, the IEMed and Casa Árabe, in collaboration with ICEX, organised a working group on Post-Conflict Reconstruction in the MENA region. The working group aimed to bring together expert researchers and practitioners active in reconstruction initiatives across the region to discuss reconstruction and planning priorities and strategies.

In the Mediterranean region today, the impact of civil wars, terrorist attacks and low oil prices are among the main factors preventing growth. Positive development, moreover, is dependent on the resolution of the ongoing conflicts. Reconstruction activities, in particular, and the reactivation of investment and oil exports could lead to growth. Analysis of the different challenges, factors and actors involved in the reconstruction processes to be implemented is necessary.

Reconstruction is a complex and multidimensional process with economic, political and social dimensions involving local, national, regional and international actors, across public and private sectors. It is an intricate and crucial task in which

View of the working group with all the participants.

the influence of contesting forces and the equilibrium sought in any peace agreement is tested. How reconstruction is carried out will have further consequences for shaping the country's future and distribution of power. Sustainable reconstruction requires a stable economic environment where businesses can conduct their operations. To achieve this it is important to encourage constructive international private sector involvement in trade and investment.

There is an increasing demand for businesses to be part of the solution for a sustainable future in distressed areas. Cases such as Ireland, South Africa and Cyprus demonstrate the role of businesses in promoting peace processes. This requires institutional and physical infrastructures, which engagement of international businesses can provide. A business being established in a post-conflict situation needs to consider the role played by its country in the conflict, and how it can engage in the peace process to be part of the solution, perhaps via relationships-oriented strategies.

Overview of the Reconstruction Challenges in the Region: Quantifying Needs and Defining Priorities

Both private and public sectors' involvement is key to achieve sustainable post-conflict reconstruction. Initiatives that guarantee food security and food and health infrastructures are a very urgent issue to meet people's demand. Yet it is both a short- and long-term issue contributing to the maintenance of a lasting process of reconciliation and reconstruction. The success of post-conflict reconstruction policies in the MENA region will depend on how public and private sectors' roles are redefined.

Leading up to a framework, deliberations on post-conflict reconstruction could include the following:

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- There needs to be careful consideration of short- and long-term objectives and mechanisms of humanitarian and environmental financing.

- A new social contract should address continuous inequity in the country. The private sector has thus far failed to generate opportunities while the public sector suffers from weak institutional performance.
- Democracy has an economic dividend. Empirical modelling shows that five years from the initial shift from non-democracy to democracy the rate of growth could reach around 8%, as opposed to 3% if it does not take place.
- International and regional assistance may only serve the short term, but a long-term vision for durable peace and sustainable democratic transitions is also necessary.
- Should reconstruction start before war has been resolved? Should that effort involve cooperation with non-state actors in the hope of establishing economic stability and a reconciliation between reconstruction and growth? Which rules apply to that cooperation so that authorities and businesses are also held accountable?

Previous Cases and Experiences of Reconstruction in the Region

Lessons learnt from past experiences of reconstruction efforts indicate that good economic governance is essential for overall sustainable reconstruction. The Balkans, Lebanon, Iraq and Afghanistan cases, over the past two decades, all emphasise that a major challenge to reconstruction is finding a synergy and equilibrium between top-down and bottom-up processes.

In the Balkans and Lebanon, the bottom-up reconstruction process was relatively successful, yet a paralysis and a lack of consensus at the top failed to produce a unified government. In Lebanon, initiatives were taken at the government level, yet they malfunctioned due to a lack of coordination among top-level entities. In Iraq and Afghanistan there was in-depth top-level engagement, especially to rebuild national structures. However, resources were not properly allocated.

For Syria's reconstruction to be successful, efforts should seek to coordinate between national-level actors and a bottom-up approach, where needs in various internal environments are identified. Multilateral structures could allow for better

coordination, planning and transparency, while avoiding political instrumentalisation of resources. The Syria Recovery Trust Fund tries to follow this model. It has six operational priorities: water and sanitation, health, food security, education, electricity and stabilisation. Within these, it also seeks to incorporate rule of law, housing, and telecommunications and transport infrastructure.

Panellist of the session on previous experiences with Hani Khabbaz, Director General, Syria Recovery Trust Fund, in the centre.

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Discrepancies in the process of urban planning has also been a challenge experienced in previous cases. While most investments were allocated to the reconstruction of urban centres, many rural areas have been neglected, thus reproducing pre-conflict inequalities and grievances. Indeed, cities have more international visibility than rural or industrial areas. Yet even within cities, and across city centres and suburbs, a gap can be observed. In Syria, almost 50% of reconstruction efforts are concentrated in Aleppo, and around 20% in Dara'a. In some cases, ceasefire agreements were not conducive to continued reconstruction. In Bosnia, for example, the agreement caused a split of Sarajevo into two halves, with differing standards for reconstruction projects and a general lack of holistic planning even 20 years later. Informal settlements were also constructed around the city with no basic supplies such as water or schools, necessitating legalisation efforts thereafter. In the case of Lebanon, the centre of Beirut, which used to be a souk and a popular neighbourhood, was recreated as

a business district. This was insensitive to the social implications for people previously living there, consequently changing the social fabric and causing residents to move to other neighbourhoods.

Holistic reconstruction and resilience planning, therefore, could start even before the end of the conflict. In Lebanon, the Council for Development and Reconstruction was created during the conflict in a period of relative tranquillity. Nevertheless, this should occur with an awareness of the surrounding situation at the time, which could include weak local capacities, and an unstable and unclear governmental structure giving way to corruption. Foreign governments, while trying to help, may also push for contractor agreements to be awarded to their national companies. Thus, the process of reconstruction should also include conflict analysis throughout the operation. This feeds into negotiations with factions on the ground.

Rebuilding National Energy and Transport Infrastructures and Regional Interconnections

The energy and transport sectors, in particular, present crucial challenges for any country during the aftermath of conflict. This is due not only to the deterioration of most infrastructures during war or the strategic value of their function, but also because of the impact they have on the development of the economy in areas such as health, education, increased industrialisation or job creation.

Reconstruction cannot be seen as a simple exercise of investment, nor a matter of short-term ad-hoc measures, since ensuring the affectivity of policies in sectors such as energy or transport requires viable framework conditions. The main barriers for this to happen is not technology or lack of resources, but rather lack of social cohesion, disruptive economies, weak public institutions, lack of transparency and non-participative processes, limited incentives for foreign investors and, particularly, increasing insecurity, widespread corruption, and the possibility of the return of conflict. Targeting these challenges to create a concrete and effective framework, through economic value creation, serves the stabilisation of the local economy and society and becomes the foundation for reconstruction processes. In this context, it

is also necessary to rebuild administrations and institutions, putting into place better governance structures and infrastructures than before the conflict.

Critical post-conflict priorities as determined by stakeholders and the donor community could be achieved via the help of multi-donor trust funds. These funds would operate with international agencies and local governments in addition to donors, civil society, NGOs, and other UN Agencies in the context of a national agenda and development strategy. This would also avoid redundancies, while enhancing transparency, good governance, the reconciliation process and encouraging local acceptance.

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Cooperation between the international private sector and their local counterparts also serves transfer of knowledge, and good practice and planning, while promoting local skills for durable and sustainable maintenance. In this respect, participatory decision-making processes are also important in terms of sustainability. Energy and transport infrastructures are a core element of reconstruction, yet any project seen as an external imposition of power or forced on the country might imply an immediate withdrawal of local groups. Short-term orientated and speedy processes may also produce problems later on, requiring redirection of efforts to amend malfunctions and additional costs.

Priorities, Experiences and Cooperation Schemes for Urban Planning and Housing

Understanding the patterns of continuity and change in relation to the contextual complexity present within societies in conflict, the dynamics of stakeholder relations and the socio-spatial context is imperative for post-conflict reconstruction and planning. Whether a state-led practice or a community-based process, urban planning and reconstruction in post-conflict scenarios tends to be perceived as a neutral practice – a tool for societal renewal where success and failures are responsible for people's ability to digest war traumas. However, it should also be understood as an inherently political process that is critical in the conflict's aftermath.

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It is a political and economic issue on the sub-national, national and supra-national levels, and concurrently it involves fractured societies and broken identities which could further constitute divisive issues fuelling discussions of repartition of countries. As such, how the post-war state and its institutions directly deal with critical loopholes and the emergent political economy are important factors.

The 1989 peace agreement in Lebanon established confessional identity as the basis of the political system, adopting a unilaterally liberal political economy that resulted in a market-led model of urbanism largely privileging private interests and leading to widespread corruption, to the detriment of the public sector. Urban planning was either outsourced to non-state actors or to sectarian political entrepreneurs. Planning did not heal societal divisions, which were simultaneously reproduced on the political level. Thus, reconstruction had two main destructive outcomes. It cemented war divisions and segregation between peri-central and peri-urban areas, while destroying the urban heritage of the city, with ghettoisation appearing more as a post-war issue than a pre-war one.

A degree of continuity should be maintained through preservation of heritage; the elements that contribute to the city's shape, soul and memory. This involves a more holistic and respectful attitude towards the city – in terms of heights of buildings, urban fabrics and paths, special relations, and symbolic parts of the city. It is an opportunity to critically come to terms with the past via preservation of memory. Conflict, therefore, needs to be acknowledged as a spatial deed through its destruction, a social deed through its production of displacement and demographic reshuffling, as well as a political deed.

There are three major priorities for urban reconstruction in the current regional scenario. On the political level, it is important to preserve institutional integrity and absorb diversity within the institutions, rather than distributing power according to identity as was the case in Lebanon. On the economic level, guaranteeing a degree of state-presence in the economy and in planning on the interregional and urban

scale is crucial. The private sector also supports building up the economy and subsequent diversification, thus promoting a more holistic and broader approach to planning. Simultaneously, on the architectural level, guaranteeing urban continuity in the cityscape is crucial to embrace public memory, encouraging the return of the displaced, and creating more porous urban borders facilitating reintegration. Experience in Iraq emphasises a need for a holistic approach that includes more than simple architectural rehabilitation and reconstruction. An analytical reconstruction methodology incorporated teams of architects, urban planners, religious leaders, economists and sociologists while seeking to establish proposals for rehabilitation of certain areas around Baghdad. It established a three-scale approach to rehabilitation: metropolitan, neighbourhood and local. Implementation, however, came to a stop via the local authority due to international events. In Afghanistan, furthermore, a rehabilitation project that followed a detached western state-of-mind was deemed incompatible with rapidly changing local political circumstances. This demonstrates that, in addition to local support, international support is imperative for reconstruction and rehabilitation efforts. Having only one or the other would not be sufficient.

Up until 2007, UN HABITAT had no framework for engaging in post-conflict or post-natural disaster environments. Yet, 60-70% of the budget was dedicated to these countries. This started in 2002, after Kosovo. The organisation's strategies today come as a result of noting gaps, challenges, weaknesses and oversights of humanitarian efforts, which links leveraging humanitarian capital to create conditions for longer-term more resilient reconstruction and development.

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Establishing refugee camps might be appropriate for donors in the international community yet it is less appropriate for national and local authorities in the countries where they emerge. Za atari camp in Jordan, for example, has also caused permanent damage in this part of the country in terms of agriculture, for example. This is something that is replicated the world over, with Haiti being an example. It could take decades to undo what was initiated through well-meaning

but relatively naïve humanitarian machinery driven by donor communities in the sense that it is far easier to service those displaced in isolated and remote places than it was to do so in cities.

Additionally, overcoming the tendency to concentrate displaced persons in cities is very difficult, as history has shown. It seems inevitable that these populations are the ones that settle into informal settlements that become ghettoised in terms of ethnicity, religion or colour depending on what part of the world you are working in. However, there are similar kinds of ghettos in Brussels, London and Paris; places where you think this should not occur, but does. In these cities there are 291 informal settlements, of which only 30% of these populations are internally displaced persons (IDPs). In the absence of the rule of law, and a vision for implementation of urban plans, inevitably the consequence is informality. This speaks to the forces that drive people out of rural areas, or from cities and into new cities; people are seeking safety and security, jobs and livelihoods. There is also a boom in the informal economy in these places.

Population movement related to conflict is also a forward and backward process. People leave and some of them come back. There is reconstruction capital and a perfectly competent private sector sitting outside of Syria at the moment, with companies waiting for the opportunity to go back and reconstruct. Additionally, in order to attract people back to their own cities, there is also a need to understand their willingness to come back and help the development of the country. However, it is also important to improve the attractiveness of re-built cities for enterprises, via support for local SMEs and businesses, for the benefit of economic activity and job creation.

A critical point in reconstruction is understanding rights of ownership, use, occupancy, and disposal. With the exception of areas that have been completely destroyed, rarely is there a vacuum in occupancy and use. These are issues that are often ignored in the aftermath of conflicts in these communities. Resolution

of ownership is a huge barrier to economic recovery. Nevertheless, opportunities for developing within cities, and finding a way of dispersing people without creating ghettos, are there but need more planning and effort by city governments. Several cities have been running housing inventories and identifying opportunities in underutilised housing that could be used for housing refugees immediately. Identifying available housing reduces the need to build new housing.

Humanitarian capital, furthermore, is better spent looking at alternate ways of supporting displaced populations, whether across borders or internally. The capital spent generating camps as temporary solutions can be greatly leveraged by looking at strategic ways to support displaced populations in cities. This is a tried and tested process that has had very good success, which means that the capacity of the humanitarian capital is used to generate a permanent asset. This could also create an exit strategy, where the earliest possible emancipation of people who are receiving humanitarian aid is the best possible solution, representing pathways to creating social, economic and political capital. These are the things we have the leisure time to engage in now so as to avoid the incredible cost of retroactively trying to find a way to rationalise these kinds of settlements.