

A proposal for the design of a

STRATEGIC RECOVERY FACILITY

Lead Institutions

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STRATEGIC RECOVERY FACILITY

I. Purpose

Societies emerging from conflict face a serious gap in essential program support as emergency relief begins to taper off and longer-term reconstruction aid remains in the planning stage. This is a crucial period in which the bases for sustainable peace and development need to be given shape, requiring a coherent, holistic strategy involving both local and international actors. While experience has led to many improvements in current practice, the response remains ad hoc resulting in costly delays and missed opportunities as each new crisis unfolds. A permanent mechanism with expertise, experience and funding at hand is required to facilitate a timely and effective field-based response to conflict recovery on the part of individual agencies acting in concert. Bilateral donors, UN agencies, international financial institutions, non-governmental organizations, and the private sector all have interest in optimizing the outcomes of their individual programs. The proposed facility would bring these actors together to jump-start the recovery process and ensure that essential peace-building elements are funded until longer-term development assistance and private direct investment come on line.

II. Structure

The facility would be comprised of three interlocking components: a membership consisting of affiliated agencies and organizations; a Board of Directors; a small permanent staff.

- A. Membership: Open to core organizations of the United Nations system (including the Bretton Woods institutions), regional organizations, governments that choose to contribute, and non-governmental organizations. In effect, the membership would comprise the operating core of the facility.
- B. Board of Directors: The governing Board would consist of a select number of senior officials representing the affiliate organizations and the private sector. It would be co-chaired by the President of the World Bank and the Secretary-General of the United Nations.
- C. Staff: A small core staff would be required to manage the facility, maintain a "watching brief" on conflict situations, conduct training sessions for affiliates' operations staffs, maintain rosters of experts, and - with Board approval - convene affiliates when it is time to take action.

III. Tasks

Under the guidance of the Board, the Facility would be tasked to:

1. establish a shared conceptual framework and integrated approach to the early stages of conflict recovery;
2. develop various scenarios, weigh risks and opportunities, and prepare contingency plans for a wide range of responses to ongoing conflicts involving a broad array of state and non-state actors;
3. identify "trigger events" that justify the beginning of recovery assistance;
4. act as the convening authority to initiate action, including joint needs assessments;
5. identify local partners and ensure their full participation in the development of a strategic plan for sustainable peace and development;
6. prioritize and maximize the allocation of start-up funding, based on agreed principles, whenever different conflict situations compete for attention and resources;
7. identify on a case-by-case basis those elements that require immediate support, for a period of one year or more, and ensure their backward and forward linkages to humanitarian relief and development objectives;
8. facilitate the establishment of working public/private partnerships;
9. maximize the effect of each partner's response capacity by identifying program synergies and strengthening mechanisms for collaboration;
10. provide financial support and access to expert advice for operational activities during the recovery phase;
11. ensure a common approach to evaluation, learning and training for operational staff;
12. help to establish country-level funding mechanisms for on-going and longer-term activities, with a view to gradually phasing out as the country team and local capacity take over.

IV. Financing

Const should be calculated in three categories: core expenses; contingency funds; and program activities.

- A. Core funds would be required to cover staff costs, situation monitoring, mission evaluation/lessons learned, travel and meetings. These costs could be met by cash or in kind contributions from affiliates and through grants from a variety of donors both public and private.
- B. Contingency funds would be used to enable the participation of non-affiliate experts in needs assessments, and to facilitate participation of local actors in program planning and implementation.
- C. Bridging funds would need to be available for up to eighteen months for immediate, short-term recovery needs that go beyond emergency relief and rehabilitation. These would include a critical set of peace-building activities that are at the core of the relief to development gap and often go unattended. A replenishment fund of \$500 million would ensure that several crises could be attended in a single year. These funds could be made available in a depository account or be pre-negotiated for draw-down on an agreed formula.