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GA2: Economic and Financial Committee (ECOFIN)

Research Report

Topic 2: Working towards recovering from economic after-effects of civil wars
post-1990.



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Table of Contents

Introduction	2
Definition of Key Terms	2
Background Information	4
Major Countries and Organisations Involved	4
Relevant UN Resolutions	5
Previous Attempts to Solve the Issue	6
Possible Solutions	6
Bibliography	8

Introduction

Between 1946 and 2001, more than 140 civil wars occurred, resulting in over 20 million casualties. These conflicts left lasting impacts, contributing to prolonged economic and political instability even after ceasefires were declared. The tragic nature of civil wars is that they can trap nations in a poverty-conflict trap where the war diminishes the capacity of a country to deal effectively, making them vulnerable to often making them vulnerable to another break out of a civil war or unable to recover economically with problems such as unemployment and low productivity following. It is crucial for fragile member states to break out of the poverty-conflict trap in the long term by achieving economic progress, political stability and sustainable peace. Economic reconstruction efforts are nowadays far more complicated, involving a great variety of actors, including the United Nations and its agencies, the International Financial Institutions (IFIs) and regional development banks.

This research report will elaborate on the problem and provide examples of resolutions and initiatives taken post-1990 to help post-conflict nations recover economically.

Key terms

Donor assistance frameworks: Collaboration between stakeholders, donors and governments . Ensuring the donations are integrated into all the necessary projects and supporting those who need¹.

Economic Recovery: Countries in economic depletion that can not find a balance in the country and are left at a point of recession. However, with financial aid that could come from anywhere the country goes back to a point where it can manage itself to some extent.

Political instability: Is when the government of a country collapses due to uncontrollable competition between multiple political parties or conflict. This leads to many things in society

including an economic collapse².

Post conflict recovery: Focuses on improving the economical and human development of countries after going through any form of minor and major conflict.

¹ *UNITED NATIONS DEVELOPMENT ASSISTANCE FRAMEWORK GUIDANCE.*

² "Can Political Stability Hurt Economic Growth?" *World Bank Blogs*, 2024, blogs.worldbank.org/en/endpovertyinsouthasia/can-political-stability-hurt-economic-growth.

Background information

1990 was the peak of global incidence of civil war. After the cold war there had been more outbreaks of civil wars primarily around Africa, Asia and balkans³. Because when the cold war ended that had then stopped funding for civil wars but also created availability for weapons so it continued but at a worse scale. Countries most prone to Civil wars are ones that have recent independence. They continuously have a tragic and common outcome of economic instability within the country. These wars have also lead to hyperinflation, loss of trade and destruction of infrastructure. In addition, other outcomes include destruction of infrastructure, displacement, loss of skilled labour due to long term setbacks in the economic system. Loss of citizens. Rise in poverty and unemployment. All these issues and civil wars affect a wider level because of the destabilization of neighboring countries. Which will lead to reduction of international investments. This will then lead to a cycle in which there will be poverty, hindered development and undermining governance. In addition, there will be a higher risk of terrorism and illicit trade. To give examples, The Rwandan genocide and Civil war from 1994 had caused approximately 800.000 deaths⁴. It has economically recovered through external aid and transitioned to self reliance with infrastructures in the nation. Other countries that have been going through civil wars since 1990's like Somalia from 1991- present. Its main conflict is due to clan based fighting and terrorist, Al-shabaab. This resulted in dependance on international humanitarian aid and Somali citizens that became pirates that attack the Gulf, and the other countries traveling through it.

Major countries and Organisations involved

United Nations Development Programme (UNDP)-

Challenges faced by post-conflict countries are more serious in several respects than those faced by poor but peaceful developing countries. Due to weakened state capacity, destroyed physical, human and social capital, distorted economic incentives, widespread poverty and massive unemployment, criminal networks, and former warlords . These conditions place war-torn countries at continuing risk of relapsing into violent conflict.

United Nations Environmental, Scientific and Cultural Organization (UNESCO)-

Supports in promotion and undertaking the mitigating measures in order to address the damage and prevent it

³ Elbadawi, Ibrahim, and Nicholas Sambanis. "Why Are There so Many Civil Wars in Africa? Understanding and Preventing Violent Conflict." *Journal of African Economics*, vol. 9, no. 3, 1 Oct. 2000, pp. 244–269, <https://doi.org/10.1093/iae/9.3.244>.

⁴ "Outreach Programme on the 1994 Genocide against the Tutsi in Rwanda and the United Nations." *Un.org*, 2024, www.un.org/en/preventgenocide/rwanda/historical-background.shtml. Accessed 18 Jan. 2025.

World Bank- Provides financial aid in forms of Emergency Recovery Loans, post conflict reconstruction projects. In addition, it provides support through means of international collaboration and supporting vulnerable populations.

African Union- Through creating peace Funds they insure there is operational peace and security activity in Africa.

Vietnam- The country had its own civil war in the 1950's and it was a focal point of the Cold war. It was in disagreement between which ideology it should follow as a nation. This is a problem most nations are going through right now and the ways it dealt with the civil war could be the method the present civil wars can use to deal with their issue and not create further damage.

Possible Relevant UN Resolutions

1. [Resolution adopted by the General Assembly on 20 December 2005 60/180. The Peacebuilding Commission](#)⁵

Recognizing the need for a dedicated institutional mechanism to address the special needs of countries emerging from conflict towards recovery, reintegration and reconstruction and to assist them in laying the foundation for sustainable development,

2. [Resolution 2086 \(2013\)](#)
[Adopted by the Security Council at its 6903rd meeting, on 21 January 2013](#)⁶

Noting that peacekeeping ranges from traditional peacekeeping missions, which primarily monitor ceasefire to complex multidimensional operations, which seek to undertake peacebuilding tasks and address root causes of conflict,

8. *Notes*, in this regard, that multidimensional peacekeeping missions may be mandated by the Security Council, inter-alia, to:

- (i) Cooperate and coordinate with United Nations agencies and funds and programs, as well as all relevant partners including international financial institutions and donors, to support the host government and relevant government institutions in designing poverty reduction and economic development policies, plans and strategies, within the context of specific situations;

⁵ "Resolution Adopted by the General Assembly on 20 December 2005 ." United Nations, 30 Dec. 2005, documents.un.org/doc/undoc/gen/n05/498/40/pdf/n0549840.pdf. Accessed 18 Jan. 2025.

⁶ "Resolution 2086 (2013)." United Nations, 21 Jan. 2013, pp. 1–4, www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_res_2086.pdf. Accessed 18 Jan. 2025.

15. *Stresses* that integrated action on the ground by security and development actors requires coordination with national authorities in order to stabilize and improve the security situation and help in economic recovery, and underlines the importance of integrated efforts among all United Nations entities in the field to promote coherence in the United Nations' work in conflict and post-conflict situations;

Previous Attempts to Solve this Issue

Established the Policy for Post-Conflict Employment Creation, Income Generation and Reintegration (PCEIR) aimed to boost economic recovery, stimulate employment creation, and facilitate reintegration⁷.

The International Monetary Fund (IMF) revised its policy of Emergency Post-Conflict Assistance for natural disasters to address countries in post-conflict situations. The revised policy allows for financial assistance such as loans to restore economic stability and sustainable growth⁸. After its change in 1995, countries such as Rwanda (1997)⁹, Sierra Leone (1998), and the Republic of Congo (1998) have received it¹⁰.

The World Bank established in 1997 a Post-Conflict Unit (later renamed to Conflict Prevention and Reconstruction Unit) and a Post-Conflict Fund¹¹.

2005 a Peacebuilding Commission (and a Peacebuilding Support Office and a Peacebuilding Fund) to bring together and improve coordination among all relevant actors who get involved in a reconstruction effort¹⁵.

Possible Solution

1. Reducing the underlying issues of inequalities through specially targeted programs aiming at stimulating broad development, particularly to diminish the inequalities between groups defined by region/ethnicity/class/religion

⁷ United Nations. "United Nations Policy for Post-Conflict Employment Creation Income Generation and Reintegration." Refworld, June 2009, www.refworld.org/reference/themreport/un/2009/en/97862. Accessed 18 Jan. 2025.

⁸ The World Bank: Resource Mobilization Department, and The IMF: Policy Development and Review and Treasurer's Departments. "Assistance to Post-Conflict Countries and the HIPC Framework." International Monetary Fund, 20 Apr. 2001, pg 8, www.imf.org/external/np/hipc/2001/pc/042001.pdf. Accessed 18 Jan. 2025.

⁹ "Press Release: IMF Approves Emergency Post-Conflict Assistance for Rwanda." IMF, 22 Apr. 1997, www.imf.org/en/News/Articles/2015/09/14/01/49/pr9719. Accessed 18 Jan. 2025.

¹⁰ "Press Release: IMF Approves Emergency Post Conflict Assistance for the Republic of Sierra Leone." IMF, 9 Nov. 1998, www.imf.org/en/News/Articles/2015/09/14/01/49/pr9855. Accessed 18 Jan. 2025.

¹¹ Tzifakis, Nikolaos. "Post-Conflict Economic Reconstruction." The Princeton Encyclopedia of Self-Determination, pesd.princeton.edu/node/586. Accessed 18 Jan. 2025.

2. Eradicate risk factors that caused the outbreak of conflict as part of recovery, including the elimination of criminal networks and formal warlords to minimise the risk of conflict recurrence
3. Enhance the ability of the state to provide security for households and communities, including economic security, by enforcing the rule of law and delivering essential social services (Capacity building.)
4. Economic recovery with priorities on increasing employment, and productive investment in the State
5. Using financial aid as a temporary means for the restoration of physical infrastructure and facilities, and the re-establishment of social services
6. Promoting growth by the creation of appropriate conditions for the private sector development, and implementation of essential structural reforms for macroeconomic stability and sustainable growth

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