

Peacebuilding Commission, Annual Session 2014

“Sustainable Support for Peacebuilding: the Domestic and International Aspects”

23 June 2014

Chair’s Summary

I. Introduction

Peacebuilding Day was celebrated with the first Annual Session of the Peacebuilding Commission (PBC), titled “*Sustainable Support for Peacebuilding: the Domestic and International Aspects.*” The session explored effective and sustainable systems for resource mobilization as critical elements for the consolidation of peace in countries emerging from conflict. Two interactive substantive working sessions addressed specific aspects of this theme, namely 1) the mobilization of international and domestic resources and revenue generation; and 2) lessons learned on the development of national capacities and sustainability of resources in the context of UN missions' transitions. Both sessions allowed for discussions on further policy development, political support and improved coordination among various stakeholders. Member States and actors from the UN system and civil society shared their perspectives and contributed to the discussions, which drew, *inter alia*, on examples from countries on the agenda of the PBC. Peacebuilding Day was also enriched with side events organized by the permanent missions of Colombia on disarmament, demobilization and reintegration; by Italy, together with the International Peace Institute, on the Central African Republic; and by Sweden on transitions.

II. Opening segment

The Peacebuilding Commission Chair, Ambassador Antonio de Aguiar Patriota of Brazil, and Deputy Secretary-General Jan Eliasson opened the Session. The former President of Timor Leste, José Ramos-Horta, gave the keynote address.

The **Deputy Secretary-General** addressed the need for countries emerging from conflict to maintain or restore people’s faith in the legitimacy of the State through the equitable delivery of public services, which requires domestic resources. He urged the international community to support post-conflict countries in developing their own resources and capacities. He noted, furthermore, how the mobilization of domestic resources can be hampered by illicit financial flows, which, in recent years, have cost developing countries almost a trillion US dollars. Africa was particularly affected by illicit outflows, which deprive the continent of six per cent of its GDP. He called for international cooperation and new frameworks on financial transparency to tackle these problems.

Ambassador de Aguiar Patriota outlined how the Peacebuilding Architecture provides opportunities for international partners to make a difference by enhancing coherence of international efforts aimed at bringing countries out of crises and avoiding relapse into conflict.

He hoped that the discussions would shed light on strategies for timely, targeted and sustained support in the area of domestic resource mobilization. He also emphasized the urgent need for an effective global policy framework and action to help curb and mitigate the impact of illicit financial flows out of these countries. In recalling the successful case of Timor-Leste, **H.E. Mr. José Ramos-Horta** stressed the imperative of national ownership combined with strong leadership and a commitment to good governance. He advocated close consultation and cooperation among international partners and nati

global policy environment continues to change substantially, however, the PBC must adapt its approach and tools in support of national peacebuilding efforts, it was observed. The PBC should reflect on lessons learned from recent developments in the Central African Republic and Guinea-Bissau. The President of the Security Council emphasized that continued bilateral informal interaction with the Council allowed the PBC to share ideas and approaches, which could subsequently be reflected in Security Council resolutions.

VI. Identification of policy options and next steps

A. Summary of identified policy options

It was noted generally that policy recommendations need to be “**fit for purpose**” and based on comparative advantages. Four areas were identified for further policy development.

First, consideration should be given to establishing or strengthening **technical facilities that provide advice and support to post-conflict countries** in developing the capacity to generate domestic revenues. This would include capacity to negotiate natural resource contracts, analyse accounting practices of corporations and design tax regimes, including for the extractive industry, the informal sector and small- and medium-sized companies. A database on programmes and funding to avoid fragmentation and duplication would be useful as well. Deeper consideration should also be given to the potential role of trilateral cooperation in these areas.

Second, the international community should explore the possibility of developing additional mechanisms that would enhance the **transparency and accountability** of extractive industries and applicable tax regimes. Specific suggestions include requirements for multinational companies to annually file public reports that explicitly include earnings and tax payments by country, based on international agreed-upon standards of transparency. Post-conflict countries themselves should also provide more transparency on revenues – and what they are used for. This would increase the trust in and legitimacy of the state, and enhance oversight and accountability functions of parliaments and other stakeholders.

Third, with respect to **illicit financial flows**, a number of specific policy proposals should be further developed, including possible international frameworks that would increase mutual accountability and international cooperation on tax regimes and address tax avoidance and trade mis-pricing.

Fourth, **banking privacy laws** in major global financial centres could be strengthened by incorporating special verification arrangements for transactions of significant amounts originating in countries affected by or emerging from conflict.

It was also concluded that, as a policy matter, there is a need to strengthen **partnerships**

international institutions, further consideration of the role of **neighbouring countries and regional organizations** was identified as critical.

B. Next steps

The Annual Session will launch an intergovernmental process to further explore the policy options generated in the working sessions, with a view towards formulating recommendations to the General Assembly and/or the Security Council. These recommendations would be reflected in the PBC's next Annual Report, together with key policy conclusions from the PBC's deliberations on the subject. The Peacebuilding Support Office was requested to provide the necessary policy and secretariat support to this exercise.

Finally, the PBC will henceforth mark Peacebuilding Day by convening Annual Sessions focused on areas in which intergovernmental policy frameworks can be developed or amended in order to better respond to the needs of countries emerging from conflict.
