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# **ECONOMIC RESTRUCTURING**

## **Peace Agreement Drafter's Handbook**

**Prepared by**

**The Public International Law & Policy Group**

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## USER'S GUIDE

The Public International Law & Policy Group's (PILPG) Peace Agreement Drafter's Handbook is a comprehensive guide on how to draft a peace agreement based upon comparative analysis of over sixty peace agreements in the past thirty years. This Handbook is intended to assist drafters, mediators, negotiators, and anyone else interested in the substantive and practical contents contained in peace agreements. The Handbook is designed to facilitate drafting peace agreements quickly, efficiently, and effectively.

The Handbook sets out for the drafter the essential components found in the majority of peace agreements since approximately sixty to seventy percent of all peace agreements draw on similar elements and language. However, every conflict is unique and the drafter may have to make adjustments to certain elements to enhance the agreement's relevancy and applicability to a particular conflict. Therefore, each chapter should be considered as ad hoc and reshaping the new agreement to address the nuances of each party's needs will be necessary. Similarly, the comparative provisions and sample language provided in the Handbook are by no means exclusive, recommended, or mandatory. The purpose of the Handbook is to assist a drafter prepare a well-crafted agreement and enhance the durability of future agreements by drawing upon the best practices from prior agreements.

The Handbook consists of several chapters all following the same basic format. Each chapter focuses on a particular section commonly found in peace agreements such as ceasefires, economic restructuring, and property restitution. Each chapter first identifies the basic elements in that particular section of a peace agreement. For example, in ceasefires, the basic elements include the identification and definition of prohibited acts, separation of forces, and verification, supervision, and monitoring. The primary notes found in each chapter provide a brief overview of a specific element. These elements are then addressed through comparative analysis. The analysis provides for the drafter language found in other peace agreements from which the most relevant to the drafter's conflict can be selected. Each section then concludes with sample language.

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## **Executive Summary**

Economic development can hold the key to rebuilding a region damaged physically and economically by conflict. In some cases, the basis of the conflict and therefore the ability for the agreement to succeed lay in the future status of economic regulation.

Peace agreements can contain provisions for economic reconstruction and development with language ranging from a simple statement of principles to far more detailed specifications. Many agreements contain a shorter provision in the agreement's preamble recognizing a need to improve the socio-economic structure of the region. However, other agreements include a separate and formal sub-agreement signed by the parties establishing a new and expanded plan for the restructuring of the region or state's economic policies and structure.

This section of the Handbook provides an overview of the provisions specific to economic restructuring drawing upon comparative language from prior agreements. The section also provides sample language where different options can be utilized alone or in combination with others.

Although a successful economic restructuring agreement can look very different according to the particular needs of the parties, the basic elements to consider for such an agreement are: (1) Infrastructure, (2) Financial Regulations, (3) Free Market Trade, (4) Tax Collection, (5) Privatization, (6) Management of National Resources, (7) Reparations, (8) International Humanitarian Aid, (9) Customs/Duties, (10) Anti-Corruption, (11) and Women's Issues.

It may not be necessary to have all of the above listed sections in an agreement for it to be successful. Depending on the specific circumstances, additional elements may also need to be added to this core list.

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## OVERVIEW/ BASIC ELEMENTS

Regardless of the particular nuances in a military conflict, any prolonged military conflict is likely to have an extensive effect on the ability of a country to support its economic infrastructure. In some cases, the basis of the conflict and therefore the ability for the agreement to succeed lay in a country's economic stability. Therefore, economic restructuring agreements usually reflect some consensus about the direction the state or region wishes to proceed in pursuing its economic goals.

Although a successful economic restructuring agreement can look very different according to the particular needs of the parties, the basic elements to consider for such an agreement are: (1) Infrastructure, (2) Financial Regulations, (3) Free Market Trade, (4) Tax Collection, (5) Privatization, (6) Management of National Resources, (7) Reparations, (8) International Humanitarian Aid, (9) Customs/Duties, (10) Anti-Corruption, (11) and Women's Issues.

It may not be necessary to have all of the above listed sections in an agreement for it to be successful. Depending on the specific circumstances, additional elements may also need to be added to this core list.

### Basic Elements

**Infrastructure:** Economic restructuring provisions often address infrastructure because infrastructure allows trade within sectors of the nation to develop as well as permitting international trade to expand. Both can be crucial elements of an economic redevelopment plan, and without such resources as roads, ports, railways and airports, this development may not be possible. The language in this section is divided into various elements, including: general infrastructure, physical infrastructure, political infrastructure, economic infrastructure and social infrastructure.

**Financial Regulations:** The language offered in the financial regulation section is geared toward stabilizing a new financial system or revising an existing financial system. This section covers: gross domestic product, revenue, spending controls, budget, monetary policy, banking and debt.

**Free Market Trade:** Access to free market and international trade mechanisms is an area often left out of agreement language despite the fact that a free trade market may be the turning point for many emerging economies. This

free market trade section is used for creating and sustaining new economies. It is important that an import/export system is created which not only takes full advantage of domestic natural resources and internal manufacturing but also has access to the international free market economy.

**Tax Collection:** The tax collection section provides a source of income for new governments and emerging economies. The monies raised through taxes can be used to support a sustainable economy and to further finance economic reconstruction as well as much needed social welfare programs.

**Privatization:** Many agreements that utilize a privatization provision to give its citizens a stake in the new economy, improve their standard of living, and increase the state's income. Some agreements provide for privatization through reallocating government owned assets to the private sector; endorsing privatization through stipulating the Parties goals; establishing private enterprises, or giving citizens a stake in the new economy or ownership of privatized companies.

**Management of National Resources:** A country's natural resources are its most basic source of income and employment for its citizens. Previous agreements addressing the management of natural resources often ensure that the resources are used to the best advantage of the state while also strengthening the economy. This is commonly done through a statement recognizing the importance of the natural resource and by providing for the fair and equitable apportionment and redistribution of national resources throughout the country. In some cases, the government implements and promotes programs to manage and conserve the state's natural resources including agriculture, forestry, and mining.

**Reparations:** This section is considered important in many agreements because reparations can assist in national healing and reconciliation. Reparations are also more regularly recognized as an obligation under international treaty and customary law and it can serve to demonstrate the new state's commitment to the rule of law.

**International Humanitarian Aid:** Aid provisions commonly appear in the economic restructuring sections of these agreements. Negotiators sometimes have specific monies lined up for use by the parties to address this matter. In cases in which no monies are lined up, it is common for the agreement to include language discussing how the country will go about securing such aid. Of note, such language has also included safeguards for the physical integrity and overall protection of aid representatives working in the country.

**Customs/Duties:** In effective agreements the language in this section is set up to prevent corruption and to take legitimate measures to protect the domestic industries from foreign competition.

**Anti-Corruption:** The anti-corruption section is often used to provide safeguards for the new government, for the economy and for the people of the new state. Effective anti-corruption sections in previous agreements take into account the root causes of previous corruption to ensure that the most appropriate methods of prevention are designed to address the problem.

**Women's Issues:** Promoting women's political and economic participation in their countries is a consistent element in economic restructuring agreements. Agreements with detailed provisions recognizing the equality of women provide specific measures the government can take in several sectors of society to improve the lives of women residing in the country. Other agreements address the importance of women's participation in the economic and social development of the country.

## COMPARATIVE ANALYSIS

### Infrastructure

**Primary Note:** Economic restructuring provisions often address infrastructure because infrastructure allows trade within sectors of the nation to develop as well as permitting international trade to expand. Both can be crucial elements of an economic redevelopment plan, and without such resources as roads, ports, railways and airports, this development may not be possible. The language in this section is divided into various elements, including: general infrastructure, physical infrastructure, political infrastructure, economic infrastructure and social infrastructure.

In some agreements, the inclusion of efficient transportation has sped the recovery of the economy by enhancing import and export activity; providing potential resolution to the lack of employment opportunities created by the conflict; and providing an incentive for increased investment in local markets. This section also typically includes grass roots education and vocational training to both improve the number of local entrepreneurs as well as provide an educated work force.

#### *General Infrastructure*

**Note:** A general commitment to developing or rebuilding infrastructure resources can be part of any agreement. The Somalia Agreement describes a general commitment to reconstruction programs in order to speed up relief to the country.

#### Somalia Agreement

Rehabilitation and reconstruction:

Affirm the need to accelerate the supply and operation of relief, reconstruction and rehabilitation programs in Somalia;

**Note:** The Burundi Agreement describes a joint purpose and consideration of the problems of economic development and specifies that their common understanding is expressed in a separate report.

Burundi Agreement: Preamble

We, the Parties,

Having considered the issues relating to the overall problem of reconstruction and development, including those associated with rehabilitation and resettlement of the refugees and *sinistrés*, with physical and political reconstruction and with economic and social development,

Having identified the principles, guidelines and activities for the transitional institutions in dealing with these issues,

Having incorporated the essentials of our work, including the analysis of the origin of the specific problems and the principles, guidelines and activities required to remedy this problem, in a report of Committee IV which serves as a reference document for the present Protocol and is reproduced as Annex IV to the Agreement.

*Social Infrastructure*

**Note:** Repairing the social infrastructure can be as vital a goal as building bridges or roads depending upon the needs of the parties. A joint statement of purpose can begin the readmission or reintegration of warring or displaced parties back into the common state society in such a way as to permit them to not only play a part in the reconstruction but also benefit from it. The Burundi Agreement sets a joint purpose to reintegrate refugees into society.

Burundi Agreement: Preamble

Have agreed:

To support the rehabilitation and resettlement of the refugees and *sinistrés* by complying with the provisions of Chapter I of the present Protocol;

**Note:** The El Salvador Agreement provides a general statement requiring the Government to support the social welfare program.

El Salvador, “Social welfare programmes”

The Government of El Salvador shall seek to strengthen existing social welfare programmes designed to alleviate extreme poverty. Additional external resources shall be sought for this purpose.

*Physical/Political Infrastructure*

**Note:** If the political infrastructure has been damaged or segmented by conflict, a joint agreement to repair certain institutions can be a crucial part of an economic development plan. A joint agreement establishing the primary functions of the new political structure and how they should look can help rebuild these administrative structures. The Somali Agreement provides guidance for what the new administrative state should look like, how it should be divided, and who should staff it.

Somalia Agreement

The Central Administrative Departments (CADs)

The TNC [Transitional National Congress] will appoint the heads of the Central Administrative Departments, whose prime function will be to re-establish and operate the departments of civil administration, social affairs, economic affairs and humanitarian affairs, paving the way for the establishment and operation of a formal government. The CADs shall comprise skilled professionals having the ability to reinstate gradually, the administrative functions of national public administration. The performance of these departments will be overseen by the TNC.

**Note:** The Burundi Agreement is a more general statement of the common commitment of the parties to reconstructing the state’s political functions.

Burundi Agreement: Preamble

To work towards the country's physical and political reconstruction in conformity with the principles and measures set out in Chapter II of the present Protocol;

*Economic Infrastructure*

**Note:** Economic infrastructure goals can be stated in very general terms to establish common purpose even when there is no larger specific plan. Such goals, however, may require more specificity when their attainment is a key factor in the origins of the underlying dispute between the parties. The Burundi Agreement below notes general economic infrastructure goals shared by the parties in the Preamble leaving the specific goals until later in the agreement.

Burundi Agreement, Preamble

To strive towards the economic and social development of Burundi by following the guidelines defined in Chapter III of the present Protocol.

**Note:** Later sections of the Burundi agreement set out the more specific problems with the national economic infrastructure as it stands as well as the steps to be taken to resolve these issues.

Burundi Agreement, Article 9, Financial guarantees

Implementation of all the reforms and programmes contained in the Agreement will require financial support from donors. In this context, the Facilitator, in coordination with the Implementation Monitoring Committee and the transitional Government, shall take the necessary steps for a donors' conference to be convened to raise funds for the reconstruction of Burundi.

**Note:** The El Salvador Agreement creates a “Forum” to address the economic infrastructure. This provision sets forth the composition, the powers of the Forum.

El Salvador Agreement, Article 8, “Forum for economic and social consultation”

Purpose of the Forum

A forum shall be established in which representatives of the Government, labour and the business community shall participate on an equal footing for the purpose of working out a

## Economic Restructuring

set of broad agreements on the economic and social development of the country for the benefit of all its inhabitants. The consultation process shall be a sustained effort and shall be conducted in phases, bearing in mind that the aim is to reach some agreements that are to be implemented immediately to achieve stabilization, others that are designed to tackle the economic and social problems that will ensue from the end of the conflict and still others that are geared specifically to reconstruction.

Among other things, the Government shall propose to the Forum for Economic and Social Consultation that existing labour legislation be revised in order to promote and maintain a climate of harmonious labour relations, without prejudice to the unemployed and the public at large. It shall also propose that the situation of disadvantaged urban and outlying urban communities be analysed with a view to proposing solutions to problems resulting from the armed conflict of recent years. In general terms, the Forum shall be the mechanism for agreeing on measures to alleviate the social cost of the structural adjustment programme.

### Establishment of the Forum

COPAZ shall convene the Forum for Economic and Social Consultation for the first time no later than one month after the signing of this Agreement.

### Composition of and representation in the Forum

The composition of the Forum and the representation in it of the various sectors and the Government shall be as follows:

The Government of El Salvador shall be represented at a high level, its representatives being empowered to take decisions on economic and social matters;

The most representative labour and business organizations shall be invited to represent those sectors.

In addition, the Forum may invite other social and political sectors to participate in its work as observers, on terms to be determined by it.

#### Powers of the Forum

The Forum shall determine its own operational structure and the issues for discussion and consultations. The sectors represented in the Forum shall have equal rights and shall enjoy equal opportunities for expressing their views.

In order to guarantee the effectiveness of the agreements reached by the Forum by consensus, the Government undertakes to issue, amend or repeal decrees or provisions within its sphere of competence and to submit relevant proposals to the other organs of State.

#### Secretariat of the Forum

The Forum shall appoint a secretariat to provide it with technical support and ensure the continuity of its work.

#### **Sample Language: Option 1**

The Government shall undertake building an infrastructure with an emphasis on [*insert infrastructure priorities such as adequate transportation facilities including roads, railways, airports, and shipping ports.*]

#### **Sample Language: Option 2**

##### Loans to the sector as a whole

The Government shall see that the national financial system has the resources it needs to meet the demand for credit of the agricultural sector in general and of micro- and small-scale enterprise and small-scale peasant production, including cooperatives in the reformed and the non-reformed sector, in particular.

## Economic Restructuring

It shall also establish rules governing loans for agricultural and industrial production so that such loans are granted in a timely manner and in amounts sufficient to sustain productive capacity and the marketing of the goods produced. To that end, it shall promote [*insert appropriate policy to generate the necessary increase in loans such as an increase in loans by the commercial banking system to small businessmen and small-scale enterprises.*]

### Active involvement of target sectors

The Government also undertakes to permit and promote the active involvement of target sectors in both the design and the administration of special credit programs for those sectors. Furthermore, the Government undertakes to increase the participation of organizations representing [*insert sectors mentioned in previous sections*] in developing policies of the Agricultural and Industrial Guarantee Fund and to ensure that the financial position of these institutions remains sound and that they become conduits for channeling external resources into [*insert desired development goals for target sectors. For example, loans for micro- and small-scale enterprise, small-scale peasant production and cooperatives in both the reformed and the non-reformed sector.*]

### Technical assistance

The Government shall design and promote new programs of technical assistance to help increase the productivity of [*insert target populations such as peasant farmers and small land holders as well as other micro – and small-scale businesses and enterprises.*]

### International cooperation for the agricultural and industrial sector

Given the increase in the demand for agricultural credit that will follow the signing of the Peace Agreement, the Government undertakes to seek additional external resources, supported by the international community, to cover the new needs of the sector.

The Government shall submit a National Reconstruction Plan based in part upon the initial assessment of the present economic status of the country. The main objectives of the Plan shall be the integrated development of zones affected by the conflict, satisfaction of the most

immediate needs of the population hardest hit by the conflict and of former combatants of all Parties, and the reconstruction of damaged infrastructure.

**Sample Language: Option 3**

The Government shall pay special attention to the need to promote job creation on a massive scale and to increase the production of basic foodstuffs, which shall be a priority for the State. To that end, the Government shall promote the integrated development of agricultural, stockbreeding, fisheries, forestry and agro-industrial activities, guarantee the provision of basic social services and launch the construction and rehabilitation of economic and social infrastructures.

The government shall immediately begin a program of grass roots education for vocational training. The government shall initially fund the education program with the goal that new private industries within the country will eventually be able to fund the program. This determination shall be made by a special government subcommittee working together with international banking institutions.

The National Reconstruction Plan (NRP) shall also include programs for the war-disabled, refugees, displaced persons, and the relatives of victims among the civilian population.

**Sample Language: Option 4**

Given the magnitude of the additional resources that will be required for the implementation of the National Reconstruction Plan, all Parties appeal to the international community to lend its fullest support to the fund-raising effort. To this end, a National Reconstruction Fund shall be established to be supported by the UN Development Programme, the World Bank and EU.

The role of the NRP shall include advising the Government on all matters relating to the infrastructure building, mobilization of external support, assisting in the preparation of projects and programs likely to attract such support, facilitating approaches to official bilateral and multilateral agencies, mobilizing technical assistance and cooperating with the Government in harmonizing the Plan with the activities of

non-governmental organizations involved in local and regional development activities.

The NRP shall also be responsible for the promotion of access to international free market trade mechanisms. To the extent that the country shall properly reenter the international market, the NRP must set appropriate standards for participation.

## Financial Regulation

**Primary Note:** The language offered in the financial regulation section is geared toward stabilizing a new financial system or revising an existing financial system. This section covers: gross domestic product, revenue, spending controls, budget, monetary policy, banking and debt.

**Note:** The Burundi Agreement specifies both general and specific goals aimed at rebuilding a financial regulation system.

### Burundi Agreement

In pursuit of these objectives, the Government shall follow the guidelines set out hereunder on the basis of the measures specified in the report of Committee IV (see Annex IV):

Working towards macro-economic and financial stabilization;

Attempting to solve the problem of external and domestic public debt;

Initiation of structural reforms in the social sectors;

Creation of an environment conducive to the expansion of the private sector;

Efforts to create new jobs and compliance with the criteria of equity and transparency in employment;

Ensuring good governance in the management of public affairs;

Rendering operational the Court of Audit established under the provisions of Chapter I of Protocol II to the Agreement;

## Economic Restructuring

Transformation of the communes into focal points for development and promotion of greater public access to State services by means of a decentralization policy;

Promotion of the role of women and youth in development, with the aid of specific measures to benefit them;

Initiation of Burundi's integration into the region;

Equitable apportionment of the benefits of development

**Note:** The Guatemala Agreement #1 sets goals the government will strive for in economic development generally and how the benefits of such development will be utilized and distributed within the state.

### Guatemala Agreement #1

Gross domestic product

For its part, the Government undertakes to adopt economic policies designed to achieve steady growth in the gross domestic product of not less than 6 per cent per annum, which would enable it to implement a progressive social policy. At the same time, it undertakes to implement a social policy aimed at ensuring the well-being of all Guatemalans, with emphasis on health, nutrition, education and training, housing, environmental sanitation and access to productive employment and to decent pay.

**Note:** The Bougainville Agreement's section on Financial Arrangements Basic Principles contains provisions for the different responsibilities and powers of the autonomous Bougainville government and the national government in joint financial regulation arrangements.

### Bougainville Agreement

The autonomous Bougainville Government will have sufficient revenue-raising powers available to it to become financially self-reliant.

Bougainville will continue to make a fair contribution to National Government costs before fiscal self-reliance, through

the National Government retaining control over company tax, Value Added Tax and customs duties in Bougainville; and after self-reliance, through a revenue-sharing formula.

Except as otherwise provided the additional costs involved in establishing and maintaining the agreed autonomy arrangements will be shared between the autonomous Bougainville Government and the National Government.

**Note:** The Burundi Agreement sets out general goals for financial regulation of the country, as well as specific problems and remedies in such areas as monetary policy and external and internal public debt.

### Burundi Agreement

#### Macroeconomic and financial stabilization

A positive budget balance and reduction of the overall budget deficit

Fiscal administration must be improved. In addition to existing measures, the publication of annual reports and corporate records should be made compulsory. As well, the tax base should be broadened and exemptions should be significantly reduced.

At the same time, spending should be cut, especially military spending as the security situation improves, wages should be brought under control, and spending on goods and services should be reduced.

Budget allocations should be based on the actual volume of resources available to the State. Extra-budgetary accounts should respect the principle of a unified budget, as recognized by law, and should be kept to a strict minimum.

If these steps are taken, the overall budget deficit will be reduced and excessive bank financing will be unnecessary. This will also enable the State to make payments on its internal and external arrears.

### Monetary policy

Monetary policy must once again be independent. This is indispensable if inflation is to be reduced and Burundi's currency stabilized. Monetary financing of the budget deficit must be significantly reduced.

In the banking sector, bankruptcies are extremely harmful to the country because the State must inject large amounts of public funds to bail the failed banks out. In future, the required reserve ratio should be strictly maintained and penalties for bankruptcy stiffened.

### Solving the problem of internal and external public debt

#### External public debt

As at 31 December 1999, Burundi's external public debt amounted to BuF 676 billion, or 156 per cent of GDP. Multilateral debt accounts for 86 per cent of all indebtedness, while debts to the World Bank and the ADB account for 57 per cent. These debts cannot be cancelled or rescheduled. To reduce the burden that external debt imposes on the economy, one or more countries that are willing to help Burundi repay its debts must be found. The Government must meet all the conditions required for cancellation or rescheduling of a significant portion of its external debt. Lastly, as Burundi has reached the limit of its borrowing capacity, the country should try to rely on grants rather than on loans.

#### Internal public debt

Internal public debt, which totaled BuF 22,064,000,000 in 1990, fell to BuF 11,673,500,000 in 1994, rising again to BuF 61,965,680,000 in 1999. Much of this debt is short-term debt, as it was contracted from banks and financial institutions in the form of one- to three-month treasury certificates.

Problems in repaying this short-term debt were already apparent in 1997, when the Government decided in the Finance Act that the treasury certificates should be consolidated over a five-year

period, with a two-year deferment. The interest owed on this debt has become onerous, rising from BuF 1 billion in 1996 to 3 billion in 1999.

Appropriate measures must be taken to curb internal debts.

**Sample Language: Option 1**

The government undertakes to introduce financial regulations, with emphasis on [*insert preferred financial system such as tax collection*], as regulations and rules in the economic market are essential for creating an advanced and stable economy based on a coherent and equal basis and to ensure fair competition.

**Sample Language: Option 2**

The government will implement economic policies to achieve growth in the national gross domestic product. The government will also implement a social policy emphasizing [*insert social priorities such as health, nutrition, education, training, housing, and environment*].

**Sample Language: Option 3**

In an effort to reduce the budget deficit, annual reports and corporate reports must be published annually. [*Insert responsible budget priorities of which some options include broadening the tax base, reducing the number of tax exemptions, and cutting unnecessary government spending, including military spending, and spending on goods and services.*] The government will seek international aid to help this country repay its external debts.

## Free Market Trade

**Primary Note:** Access to free market and international trade mechanisms is an area often left out of agreement language despite the fact that a free trade market may be the turning point for many emerging economies. This free market trade section can help create and sustain new economies. Generally, an import/export system is created which not only takes full advantage of domestic natural resources and internal manufacturing, but also has access to the international free market economy.

**Note:** The following section from the Kosovo Agreement specifies that Kosovo shall adopt free market principles.

### Kosovo Agreement, Chapter 4, Article I, Economic Issues

The economy of Kosovo shall function in accordance with free market principles...

Federal and other authorities shall within their respective powers and responsibilities ensure the free movement of persons, goods, services, and capital to Kosovo, including from international sources. They shall in particular allow access to Kosovo without discrimination for persons delivering such goods and services.

**Note:** The section referring to the private sector in the Burundi Agreement lists specific measures that will allow free market principles to operate within the state.

### Burundi Agreement

An environment conducive to private sector development must be created. To this end, the following measures are necessary:

Political stability is a prerequisite for the development of commercial and industrial activities;

Relations between Government offices and the private sector must be improved. The training of certified public accountants should be encouraged so that these professionals can serve as an intermediary between taxpayers and the tax authorities;

## Economic Restructuring

The harassment of economic agents must be stopped, particularly the harassment of merchants on Burundi's roads;

Attractive incentives should be developed to promote the national and international private sector, particularly by improving the investment code;

Special incentives should be created to encourage civil servants and youth who wish to set up their own enterprises, with priority given to rural enterprises;

The business environment should be made more secure; in particular, stiffer penalties should be provided to deal with bad cheques, the execution of commercial court judgments should be accelerated, guarantees should be required and the training of notaries public should be encouraged;

Legislation governing the free trade zone should be improved and investment in the zone should be encouraged;

Investment aimed at developing the country's tourism potential should be encouraged.

**Note:** The Israeli-Palestinian Agreement sets out the specific fields in which parties will cooperate to establish a free market climate.

### Israeli-Palestinian Agreement

The two sides agree to establish an Israeli-Palestinian continuing Committee for Economic Cooperation, focusing, among other things, on the following:

Cooperation in the field of trade, including studies, and Trade Promotion Programs, which will encourage local, regional and inter-regional trade, as well as a feasibility study of creating free trade zones in the Gaza Strip and in Israel, mutual access to these zones, and cooperation in other areas related to trade and commerce.

**Sample Language: Option 1**

The government will promote and ensure the free movement of people, goods, services and capital within, to, and from the country, including cooperation with standing international trade regulations. The government will also pursue trade policies that encourage and develop local, regional and inter-regional trade.

**Sample Language: Option 2**

In order to create an environment conducive to free trade the government will: work to attain political stability to aid the development of commercial and industrial activities; create programs designed to improve the relationship between itself and the private sector; implement incentives to promote the private sector both nationally and internationally; support and pass legislation to facilitate free trade zones; increase investment in the tourism industry of this country where possible.

**Tax Collection**

**Primary Note:** The tax collection section provides a source of income for new governments and emerging economies. The monies raised through taxes can be used to support a sustainable economy and to further finance economic reconstruction as well as much needed social welfare programs.

**Note:** Agreements usually specify who will control tax revenue. Language for this is provided in the Kosovo Agreement.

Kosovo Agreement: Chapter 4, Article I, Economic Issues

The authorities established to levy and collect taxes and other charges are set forth in this Agreement. Except as otherwise expressly provided, all authorities have the right to keep all revenues from their own taxes or other charges consistent with this Agreement.

Certain revenue from Kosovo taxes and duties shall accrue to the Communes, taking into account the need for an equalization of revenues between the Communes based on objective criteria. The

Assembly of Kosovo shall enact appropriate non-discriminatory legislation for this purpose. The Communes may also levy local taxes in accordance with this Agreement.

**Note:** The Guatemala Agreement #1 defines the purpose and goals of the tax collection system as well as the legislation designed to implement it.

### Guatemala Agreement #1

#### Tax policy

Tax policy should be designed to enable the collection of the resources needed for the performance of the State's functions, including the funds required for the consolidation of peace, within the framework of a tax system consistent with the following basic principles:

The system is fair, equitable and, on the whole, progressive, in keeping with the constitutional principle of ability to pay;

The system is universal and compulsory;

The system stimulates saving and investment.

The State should also ensure efficiency and transparency in tax collection and fiscal management so as to promote taxpayer confidence in government policy and eliminate tax evasion and fraud.

#### Tax collection target

Bearing in mind the need to increase State revenues in order to cope with the urgent tasks of economic growth, social development and building peace, the Government undertakes to ensure that by the year 2000, the tax burden, measured as a ratio of gross domestic product, increases by at least 50 per cent as compared with the 1995 tax burden.

### Fiscal commitment

As a step towards a fair and equitable tax system, the Government undertakes to address the most serious issue relating to tax injustice and inequity, namely, evasion and fraud, especially on the part of those who should be the largest contributors. In order to eradicate privileges and abuses, eliminate tax evasion and fraud and implement a tax system which is, on the whole, progressive, the Government undertakes to:

### Legislation

Promote an amendment to the Tax Code establishing harsher penalties for tax evasion, avoidance and fraud, both for taxpayers and for tax administration officials;

Promote an amendment to the tax laws designed to eliminate loopholes;

Evaluate and regulate tax exemptions strictly so as to eliminate abuses;

### Strengthening of tax administration

Strengthen the existing auditing and collection mechanisms, such as cross-checking, tax identification numbers and tax credits for withholding of income tax and value-added tax;

Simplify and automate tax administration procedures;

Ensure the correct and prompt application or reimbursement of tax credit and punish severely those who do not return withheld value-added tax to the tax authorities;

Create a special programme for large contributors in order to ensure that they comply fully with their tax obligations;

Implement administrative structures specifically geared to the revenue collection and auditing programmes and to the application of the relevant tax laws;

Strengthen the capacity of municipalities to exercise their authority to collect taxes;

**Note:** The Bougainville Agreement establishes and defines different taxing powers of the national government and the autonomous region within that state.

### Bougainville Agreement

#### Taxation

The National Government will support the autonomous Bougainville Government in moving towards the goal of fiscal self-reliance, defined as the year in which the revenue from company tax, 70 per cent of Value Added Tax and customs duties is equal to the value of the recurrent grant on a sustainable basis.

Revenue from company tax, customs duties and 70 per cent of Value Added Tax collected in Bougainville will go to a trust account for Bougainville and be credited against the recurrent grant at least until Bougainville achieves financial self-reliance.

"Company tax" is understood for this purpose as tax on profits of companies whose principal place of business or main business activity is in Bougainville.

When the autonomous Bougainville Government achieves fiscal self-reliance, revenues from these sources (in excess of the costs of recurrent activities calculated in accordance with the recurrent grant formula) will be shared between the National Government and the autonomous Bougainville Government so as contribute to both National and Bougainville development.

The 5-yearly reviews of financial arrangements should be used to consider the issues involved in revenue sharing.

The National Government will continue to impose and collect personal income tax in accordance with the provisions below until such time as restoration is achieved.

Revenue from personal income tax collected from Bougainville will be paid directly to a trust account for the autonomous Bougainville Government and distributed to the autonomous Bougainville Government on its request to be used to support development in Bougainville.

The autonomous Bougainville Government will have the power to adjust the rate of personal income tax to apply in Bougainville by no more than five per cent.

The autonomous Bougainville Government will assume the powers and functions to impose, set rates of, and collect personal income tax when restoration is achieved.

Revenues from all other existing National Government taxes (including 30 per cent of Value Added Tax) collected in Bougainville will be paid direct to the autonomous Bougainville Government.

The National Government will retain the power to set rates for company tax, Value Added Tax and customs. But after fiscal self reliance the autonomous Bougainville Government will have power to set rates and collect company tax; provided that the effective rates of company tax will not vary from the National Government's rate by more than five percentage points.

The autonomous Bougainville Government will have power to set rates or establish its own tax regime for all other existing National Government taxes (e.g. export tax, excise) and all taxes that have been available to provincial governments under the National Constitution.

The Internal Revenue Commission will initially collect all taxes for the autonomous Bougainville Government but the autonomous Bougainville Government will have the power to establish its own tax office to collect Bougainville taxes as well as, by agreement, company tax, Value Added Tax, and customs duties.

The autonomous Bougainville Government will be eligible for tax incentives available in the Income (Company) Tax Act.

Both the National Government and the autonomous Bougainville Government will have the right to audit taxes paid into the above trust accounts or collected on behalf of the other.

**Note:** The El Salvador Agreement describes who shall have control over the taxing system.

El Salvador Agreement, “Finance Division”

Under the functional control of the Ministry of Finance and without prejudice to the fiscal oversight or other functions performed by it, this Division shall be responsible for preventing and combating infringements of tax law. It shall be the police support organ of the Ministry of Finance. It shall have two departments: customs and taxes.

The Finance Division shall be the only police organ with competence in the areas of customs and taxes. Consequently, following its entry into operation, all provisions and structures incompatible with this principle shall cease to exist.

The Chief of the Finance Division shall be appointed by the Director-General of the National Police with the prior approval of the Minister of Finance.

**Sample Language: Option 1**

The tax system will be designed to ensure collection of the resources necessary for the performance of the state’s function. The government will create a fair and equitable system which is universal and compulsory. The system will allow the municipalities within the state to exercise their authority to collect taxes.

**Sample Language: Option 2**

Amendments to the tax code will be pursued which will establish [*insert tax code priorities such as penalties for tax evasion, fraud and avoidance for all people, elimination of loopholes in the tax code,*

*evaluation and perhaps elimination of tax exemptions, and/or simplification of the current tax system.*

**Sample Language: Option 3**

The government will encourage the municipalities to become fiscally self-reliant by allowing individual tax systems. The proceeds from these systems will be [*insert desired division of proceeds among various levels of government*]. The [*insert desired levels of government*] tax systems will be reevaluated in [*insert desired timeframe for reevaluation*].

**Privatization**

**Primary Note:** Many agreements utilize a privatization provision to give citizens a stake in the new economy, improve their standard of living, and increase the state's income. Some agreements provide for privatization through reallocating government owned assets to the private sector; endorsing privatization through stipulating the Parties goals; establishing private enterprises; or giving citizens a stake in the new economy or ownership of privatized companies.

**Note:** The Kosovo Agreement provides for the reallocation of government owned assets to the private sector, and sets up a claims commission to deal with disputes arising from this transfer.

Kosovo Agreement, Chapter 4, Article II, Economic Issues

The Parties agree to reallocate ownership and resources in accordance insofar as possible with the distribution of powers and responsibilities set forth in this Agreement, in the following areas:

Government-owned assets (including educational institutions, hospitals, natural resources, and production facilities); pension and social insurance contributions; revenues to be distributed under Article I.5; and any other matters relating to economic relations between the Parties not covered by this Agreement.

The Parties agree to the creation of a Claim Settlement Commission (CSC) to resolve all disputes between them on matters referred to in

paragraph 1.

The CSC shall consist of three experts designated by Kosovo, three experts designated jointly by the Federal Republic of Yugoslavia and the Republic of Serbia, and three independent experts designated by the CIM [Chief of the Implementation Mission].

The decisions of the CSC, which shall be taken by majority vote, shall be final and binding. The Parties shall implement them without delay.

Authorities receiving ownership of public facilities shall have the power to operate such facilities.

**Note:** The Lusaka Protocol is a more general endorsement of privatization and private enterprise goals by the parties.

#### Lusaka Protocol

In order to reinforce National Reconciliation and to stimulate and expand economic development throughout the national territory, all Angolans are encouraged and supported by the Government of the Republic of Angola, inter alia, through the National Entrepreneurial Support Fund, in the establishment of private enterprises in the various sectors of economic activity (agriculture, industry, trade and services) on the basis of equal opportunity.

**Note:** This section of the Burundi agreement states that development of the private sector is a goal of the parties.

#### Burundi Agreement

Principles and measures relating to the economy

Development of the private sector by means of incentives with a view to creating new jobs and reducing the burden and pressures on the public sector.

**Note:** This section of the El Salvador agreement elaborates on an endorsement of privatization by explaining what the purposes and goals of such privatization are.

El Salvador Agreement, Privatization

The policy of privatization shall increase society's share of ownership by affording workers access to ownership of privatized companies. It shall also avoid monopolistic practices, while guaranteeing business freedom and consumer protection, in accordance with the provisions of article 110 of the Constitution.

*Sample Language: Option 1*

The policy of privatization shall increase society's share of ownership by affording workers access to ownership of privatized companies. It shall also avoid monopolistic practices, while guaranteeing business freedom and consumer protection.

*Sample Language: Option 2*

Reallocation of ownership and resources from the government to the citizens will occur within a policy of privatization agreed to by all parties. The parties will create a Commission to oversee the transition of the reallocation, with members chosen by all parties. The policy will work toward the goals of [*insert desired goals of privatization such as creating new jobs, improving the economy and reducing the burdens on the public sector.*]

**Management of National Resources**

**Primary Note:** Previous agreements addressing the management of natural resources often attempt to ensure that the resources are used to the best advantage of the state while also strengthening the economy. This is commonly done through a statement recognizing the importance of the natural resource and by providing for the fair and equitable apportionment and redistribution of national resources throughout the country. In some cases, the Government implements and promotes programs to manage and conserve the state's natural resources which can include agriculture, forestry, and mining.

**Note:** The Burundi Agreement contains a concise general statement of the importance of national resources and how they should be used.

Burundi Agreement

Principles and measures relating to the economy

Equitable apportionment and redistribution of national resources throughout the country.

**Note:** The Sierra Leone Agreement specifies how natural resources are to be managed, and what departments of government shall control which natural resources.

Sierra Leone Agreement

The management of other natural resources shall be reviewed by the CMRRD [Commission for the Management of Strategic Resources, National Reconstruction and Development] to determine if their regulation is a matter of national security and welfare, and recommend appropriate policy to the Government.

The functions of the Ministry of Mines shall continue to be carried out by the current authorized ministry. However, in respect of strategic mineral resources, the CMRRD shall be an autonomous body in carrying out its duties concerning the regulation of Sierra Leone's strategic natural resources.

**Note:** The Guatemala Agreement #1 specifies how the government shall promote and encourage the development of natural resources, and what sectors of society should benefit from and participate in, the management of such resources.

Guatemala Agreement #1

Access to the use of natural resources

By 1999, allocate to small and medium-sized farmers' groups legally incorporated as natural resources management ventures, 100,000 hectares within multi-use areas for sustainable forest management, the management of protected areas, eco-tourism, conservation of water

## Economic Restructuring

sources and other activities compatible with the sustainable potential use of the natural resources of such areas;

Promote and support the participation of the private sector and grass-roots community organizations in projects for the management and conservation of renewable natural resources through incentives, targeted direct subsidies or funding mechanisms on soft terms, in view of the non-monetary benefits that the national community derives from such projects. Given the benefit that the international community receives from the sustainable management and conservation of the country's forest and biogenetic resources, the Government will actively promote international cooperation in this venture;

Access to other productive projects

Develop sustainable productive projects especially geared towards boosting productivity and the processing of agricultural, forestry and fishery products in the poorest areas of the country. In particular, for the period 1997-2000, guarantee the implementation, in the poorest areas, of a Government agricultural sector investment programme in the amount of 200 million quetzales in the agriculture, forestry and fisheries sectors;

Promote a renewable natural resources management programme which fosters sustainable forestry and agro-forestry production, as well as handicrafts and small- and medium-scale industry projects that give added value to forest products;

Promote productive ventures related, inter alia, to agro-processing industries, marketing, services, handicrafts and tourism with a view to creating jobs and securing fair incomes for all;

Promote an eco-tourism programme with the broad participation of communities which have received appropriate training.

Support structure

Prerequisites for a more efficient and just agricultural structure include not only more equitable access to productive resources but also a support structure that will enhance farmers' access to information, technology, training, credit and marketing facilities.

**Note:** The East Timor Agreement places natural resources, with certain exceptions, under the specific control of the government of the Special Autonomous Region of East Timor (SARET) and speaks of cooperation between the Central government and the SARET government.

East Timor Agreement, Article 8

Natural resources in the SARET, except those considered to be strategic or vital under national laws, shall be under the control of the Government of the SARET. In the exploitation of all natural resources, the Central Government and the Government of the SARET may establish cooperative or joint undertakings.

**Sample Language: Option 1**

The Government shall ensure the fair and equitable apportionment and redistribution of national resources throughout the country. The Government will implement and promote programs to manage and conserve the state's renewable and non-renewable natural resources. [*Option to list specific resources of country*]

**Sample Language: Option 2**

The parties shall develop sustainable projects that will boost productivity and processing of [*insert relevant natural resources and/or industry areas of the country*] throughout the country. These projects will be geared toward improving the national economy as well as pushing the country into the international free trade market. These projects will include a renewable and non-renewable resources management program to ensure the longevity the natural resources.

## Reparations

**Primary Note:** This section is considered important in many agreements because reparations can assist in national healing and reconciliation. Reparations are also more regularly recognized as an obligation under international treaty and customary law and it can serve to demonstrate the new state's commitment to the rule of law.

**Note:** The Guatemala Agreement #2 explains the national understanding of human rights claims and the state's duties to provide reparations. The agreement also affirms the state's commitment and responsibility to implement these duties.

Guatemala Agreement #2, "The right of redress"

On the principle that any violation of human rights entitles the victim to obtain redress and imposes on the State the duty to make reparation, the Act shall assign to a State body responsibility for implementing a public policy of compensation for and/or assistance to the victims of human rights violations. The body in question shall take into consideration the recommendations to be formulated in that regard by the Clarification Commission.

*Sample Language: Reparations*

The Government shall convene a commission to determine the extent of violations of human rights that occurred in the conflict leading up to this peace agreement. The commission shall be charged with providing conclusions and recommendations and implementing a national policy of compensation and assistance for the victims of human rights violations.

## International Humanitarian Aid

**Primary Note:** It is common for international humanitarian aid provisions to appear in economic restructuring sections of these agreements. Ideally, the negotiators have monies lined up for use by the parties to address this matter. In cases where this was not discussed, these agreements discuss how the country will go about securing such aid. Safeguards for the physical integrity and overall protection of aid representatives working in the country must also be included in the language.

In the event that signing parties are unable to support the economic restructuring mentioned above, many agreements attempt to ensure that these efforts are financed by an outside group. Some agreements do this by assuming that international aid will be forthcoming and instead simply deal with how the funds will be used and accepted by the state. Other agreements do not assume that there will be international aid and set up mechanisms, such as committees, to consider options and work towards state procurement of aid from institutions such as the World Bank, the International Monetary Fund, or even foreign investment incentives through organizations such as the Overseas Private Investment Corporation. There are a number of international organizations that provide international humanitarian aid. Among these are: US Agency for International Development (USAID), International Red Cross, Doctors Without Borders, and Office for the Coordination of Humanitarian Affairs (OCHA) at the UN. A comprehensive agreement addresses this matter if the situation warrants it. Depending upon a state's history with international humanitarian aid attempts, guarantees may need to be built in for the protection of aid representatives entering the country.

**Note:** The Kosovo Agreement provides that international aid must be equitably shared between the state itself and the autonomous region within and explains how international contracts shall be handled by the parties.

Kosovo Agreement, Chapter 4, Article I, "Economic Issues"

Federal authorities shall ensure that Kosovo receives a proportionate and equitable share of benefits that may be derived from international agreements concluded by the Federal Republic and of Federal resources. ...

If expressly required by an international donor or lender, international contracts for reconstruction projects shall be concluded by the authorities of the Federal Republic of Yugoslavia, which shall establish appropriate mechanisms to make such funds available to Kosovo authorities. Unless precluded by the terms of contracts, all reconstruction projects that exclusively concern Kosovo shall be managed and implemented by the appropriate Kosovo authority.

**Note:** The Burundi Agreement contains a more general statement of the purposes and facilitation of international aid.

Burundi Agreement, Article 26

Humanitarian assistance shall be facilitated through humanitarian corridors in order to render assistance to displaced persons, refugees and other *sinistrés*;

**Note:** The Liberia Agreement highlights children in its provision on the delivery of international humanitarian assistance.

Liberia Agreement, Section E, Article 17

The Parties agree that every effort should be made to deliver humanitarian assistance to all Liberians, particularly children, who are malnourished and suffering from related diseases. Convoys of humanitarian assistance should travel to all areas of Liberia through the most direct routes, under inspection to ensure compliance with the sanctions and embargo provisions of this Agreement.

**Note:** The Somalia Agreement expresses gratitude towards international donors for their assistance and calls for international to help implement the infrastructure rebuilding process.

Somalia Agreement, Rehabilitation and Reconstruction

Welcome the conclusion of the Third Coordination Meeting on Humanitarian Assistance to Somalia;

Express our appreciation to donor countries for their continued humanitarian assistance to Somalia and, in particular, for the generous

pledge, made at the Third Coordination Meeting, to mobilize \$142 million for relief and rehabilitation efforts in Somalia;

Call upon UNOSOM, aid agencies and donor countries to immediately assist in the rehabilitation of essential public and social services, and of necessary infrastructure, on a priority basis by the end of June 1993;

**Sample Language: Option 1**

The Government shall facilitate private direct external cooperation for community development and assistance projects, provided that assistance is channeled in accordance with foreign exchange and lending regulations. Direct external cooperation [*from private foreign citizens*] [*from agencies*] [*from corporations*] [*from a foreign state*] may also be approved, subject to the provision of the requisite information on the purposes of such cooperation.

**Sample Language: Option 2**

The Government shall grant legal and institutional facilities to private sources of direct external cooperation benefiting communities, social organizations and national non-governmental organizations. Former combatants of all Parties shall have access to external cooperation funds.

**Sample Language: Option 3**

The Government will ensure that the various municipalities receive a proportionate and equitable share of the benefits from any international agreements – including autonomous regions [*where applicable*]. In particular, the government will ensure that humanitarian aid reaches all citizens particularly children and refugees.

## Customs/Duties

**Primary Note:** Effective agreements establish provisions to prevent corruption and to take legitimate measures to protect the domestic industries from foreign competition, generally including which agency or government body is responsible for such policies.

**Note:** The East Timor Agreement specifies in its section on economic and fiscal policies that the autonomous region shall be part of the national customs structure.

### East Timor Agreement, Section C, Article 5

The SARET shall be a part of the Indonesian monetary and customs unit subject to those national monetary and fiscal policies, and laws and regulations of Indonesia which are consistent with this Agreement

**Note:** The Kosovo Agreement specifies that the national state shall be responsible for all customs collection duties.

### Kosovo Agreement

The Federal Republic of Yugoslavia shall be responsible for the collection of all customs duties at international borders in Kosovo. There shall be no impediments to the free movement of persons, goods, services, and capital to and from Kosovo.

**Note:** This section of the Burundi Agreement provides that legislation and structures will be adopted for customs collection.

### Burundi Agreement

Principles and measures relating to the economy:

Legislation and structures for combating financial crime and corruption (tax legislation, customs legislation, legislation on public markets, etc.).

**Note:** The El Salvador Agreement describes who shall have control over the collection of customs duties.

El Salvador Agreement, Finance Division

Under the functional control of the Ministry of Finance and without prejudice to the fiscal oversight or other functions performed by it, this Division shall be responsible for preventing and combating infringements of tax law. It shall be the police support organ of the Ministry of Finance. It shall have two departments: customs and taxes.

The Finance Division shall be the only police organ with competence in the areas of customs and taxes. Consequently, following its entry into operation, all provisions and structures incompatible with this principle shall cease to exist.

The Chief of the Finance Division shall be appointed by the Director-General of the National Police with the prior approval of the Minister of Finance.

**Note:** The Bougainville Agreement explains that a fair proportion of customs duties will be directed from the autonomous region to the national government.

Bougainville Agreement

Bougainville will continue to make a fair contribution to National Government costs before fiscal self-reliance, through the National Government retaining control over company tax, Value Added Tax and customs duties in Bougainville; and after self-reliance, through a revenue-sharing formula.

**Sample Language: Option 1**

The [*insert appropriate government body*] shall design and implement a policy for the fair collection of customs duties which does not interfere with the free movement of people, goods, services and capital in and out of the state.

**Sample Language: Option 2**

The [*insert appropriate government body*] will be responsible for the collection of customs and duties at all the international borders of the state. Barriers to the free movement of goods, services and people across these borders will be minimal and will be consistent with international free trade practices.

**Anti-Corruption**

**Primary Note:** The anti-corruption section is often used to provide safeguards for the new government, for the economy and for the people of the new state. Effective anti-corruption sections in previous agreements take into account the root causes of previous corruption to ensure that the most appropriate methods of prevention are designed to address the problem.

While the definition of corruption can vary from country to country, “the UN's Global Programme against Corruption defines corruption as the ‘abuse of power for private gain’ and includes thereby both the public and private sector.” In combating corruption, countries identify the types of corruption and then proceed to design a program that addresses those specific issues. The most commonly recognized forms of corruption include bribery, embezzlement, nepotism, fraud, extortion, and misappropriation. Some of the sectors most commonly associated with corruption are the judicial, financial, and electoral systems.

**Note:** In the Burundi Agreement, the provision addressing the administration of the national government, affirms the national commitment to the rule of law and a national policy against corruption. The provision also explains how such corruption is punished.

**Burundi Agreement, Article 10**

The administration shall function in accordance with the democratic values and principles enshrined in the Constitution, and with the law.

The administration shall be so structured, and all civil servants shall so perform their duties, as to serve all users of public services with

efficiency, courtesy, impartiality and equity. Embezzlement, corruption, extortion and misappropriation of all kinds shall be punishable in accordance with the law. Any state employee convicted of corruption shall be dismissed from the public administration following a disciplinary inquiry.

**Note:** Agreements, such as the Sierra Leone Agreement can also stipulate that the parties adopt a specific office within the government to deal with corruption issues.

### Sierra Leone Agreement

The Parties agree that the standards of accountability, integrity and probity in the public services of Sierra Leone shall be raised. To that end, immediate steps shall be taken to establish the office of Ombudsman to promote the implementation of a professional code of ethics, and the integrity and patriotism of all public servants. It shall also seek to eradicate all forms of corruption.

### *Sample Language: Anti-Corruption*

The Government shall create a commission charged with auditing the corruption in the government and by civil servants. The commission shall make recommendations to the government regarding a system to enable civil servants to ethically perform their duties with efficiency, courtesy, impartiality and equity. The commission shall also work with the legislature to enact legislation to punish embezzlement, corruption, extortion and misappropriation of all kinds.

## Women's Issues

**Primary Note:** Promoting women's political and economic participation in their countries is a consistent element in effective peace agreements. Agreements with detailed provisions recognizing the equality of women provide specific measures the government can take in several sectors of society to improve the lives of women residing in the country. Other agreements address the importance of women's participation in the economic and social development of the country.

“Ensuring women's rights benefits individuals and their families, strengthens democracy, bolsters prosperity, enhances human rights and advances religious tolerance. It is at the core of building a civil, law-abiding society, which is an indispensable prerequisite for true democracy.” Undersecretary of State for Global Affairs, Paula J. Dobriansky.

**Note:** The Guatemala Agreement #1 provides a section recognizing the equality of women and addressing the importance of their participation in the economic and social development of the country. This section reflects a comprehensive approach towards improving the status of women, and provides the specific measures the government will take in several sectors of society to improve the lives of women residing in the country.

### Guatemala Agreement #1

The active participation of women is essential for Guatemala's economic and social development, and the State has a duty to promote the elimination of all forms of discrimination against women.

Recognizing women's undervalued contributions in all spheres of economic and social activity, and particularly their efforts towards community improvement, the Parties agree that there is a need to strengthen women's participation in economic and social development on equal terms.

To this end, the Government undertakes to take the specific economic and social situation of women into account in its development strategies, plans and programs, and to train civil servants in analysis

and planning based on this approach. This undertaking includes the following:

Recognizing the equal rights of women and men in the home, in the workplace, in the production sector and in social and political life, and ensuring that women have the same opportunities as men, particularly with regard to access to credit, land ownership and other productive and technological resources;

### Education and training

Ensuring that women have equal opportunities for education and training in the same conditions as men, and that any form of discrimination against women that may be found in school curricula is eliminated;

### Housing

Ensuring that women have equal access to housing of their own by eliminating the obstacles and impediments that affect women in relation to rental property, credit and construction;

### Health

Implementing nationwide comprehensive health programs for women, which involves giving women access to appropriate information, prevention and health care services;

### Labor

Guaranteeing women's right to work, which requires:

Using various means to encourage vocational training for women;

Revising labor legislation to guarantee equality of rights and opportunities between men and women;

In rural areas, recognizing women as agricultural workers to ensure that their work is valued and remunerated;

Enacting laws to protect the rights of women who work as household employees, especially in relation to fair wages, working hours, social security and respect for their dignity;

**Note:** Agreements can also be specifically tailored to the experience of women in a particular nation-state and can explain why measures are needed to advance women's status. In addition to specific measures, agreements can adopt and endorse a general philosophy on the equality of women seen below in the Burundi Agreement.

Burundi Agreement, Article 3, Charter of Fundamental Rights

The rights and duties proclaimed and guaranteed *inter alia* by the Universal Declaration of Human Rights, the International Covenants on Human Rights, the African Charter on Human and Peoples' Rights, the Convention on the Elimination of All Forms of Discrimination against Women and the Convention on the Rights of the Child shall form an integral part of the Constitution of the Republic of Burundi. These fundamental rights shall not be limited or derogated from, except in justifiable circumstances acceptable in international law and set forth in the Constitution.

All citizens shall have rights and obligations.

Human dignity shall be respected and protected.

All women and men shall be equal. No one may be discriminated against, *inter alia*, on grounds of origin, race, ethnicity, gender, colour, language, social situation, or religious, philosophical or political convictions, or by reason of a physical or mental handicap. All citizens shall enjoy equal protection of the law, as well as equal treatment under the law.

...

All women and men shall have the right to life.

All women and men shall have the right to personal freedom, including to physical and mental integrity, and to freedom of movement. Torture and any other kind of cruel, inhuman, degrading

treatment or punishment shall be prohibited. Everyone shall have the right to be free from violence from either public or private sources.

...

All women and men shall have the right to respect for their private and family life, residence and personal communications.

There shall be freedom of marriage, including the right to choose one's partner. Marriage shall be entered into only with the free and full consent of the intending spouses.

The family, as the fundamental unit of society, shall be entitled to protection by society and the State.

...

Property rights shall be guaranteed for all women and men. Compensation that is fair and equitable under the circumstances shall be payable in case of expropriation, which shall be allowed only in the public interest and in accordance with a law which shall also set forth the basis of compensation.

...

Each individual shall have the duty to respect and show consideration for her/his fellow citizens without any discrimination.

...

### *The role of women in reconstruction*

Why the advancement of women?

Burundian women have suffered greatly from the various crises that have taken place in the country from independence to the present. Thousands of women have been widowed and traumatized. Their property has been looted and their children have dropped out of school. Fearing for their lives, some of their husbands have fled the country, abandoning them with little or no means of survival. Over half of the refugees and *sinistrés* are women and children for whom

the future looks bleak. This situation has had dire consequences for the lives of children: some have become orphans, vagrants and street children. Their quality of life has deteriorated considerably.

### *Tangible actions for the advancement of women*

In order to support and promote the advancement of women, taking into consideration the difficulties they have been through and continue to experience, the following actions are necessary:

Women must be included in all management bodies established as part of the reconstruction process. These include committees for the rehabilitation, resettlement and reintegration of *sinistrés*, aid distribution committees at all levels, etc.;

Women must be made aware of national reconciliation activities and must be mobilized to take part in them. Women must be promoted as peace mediators;

Meetings between women in Burundi and women of the diaspora should be held so that they can exchange ideas about their respective problems and the future of the country;

Women and children who find themselves in the special position of heads of household must be taken into account. The entitlements of those widowed and orphaned by Burundi's various crises must be restored;

A body should be established to identify women's problems in the context of the Burundian crisis and suggest appropriate solutions to the Government;

Legislation on women's inheritance rights must be drafted, adopted and promulgated;

Destroyed homes must be rebuilt for homeless women;

Help should be provided to women to engage in income-generating activities; counseling, training and assistance with reintegration should be provided to girls and women who have been subjected to sexual abuse and forced marriages during and after the crisis.

**Note:** For similar language see, Sierra Leone; Sudan, Machakos Protocol (20 July 2002); Mexico, Chiapas Agreement (16 February 1996); Cambodia, Declaration on the Rehabilitation and Reconstruction of Cambodia (23 October 1991); Bosnia and Herzegovina, General Framework for Peace in Bosnia and Herzegovina (14 December 1995).

**Sample Language: Women's Issues**

Improving the status of women and inviting them to participate fully in the post-conflict society improves and enhances not only the economy, but also all the political, cultural and social aspects of the new state. As such, the active participation of women is essential for the economic, cultural, and social development of the country, and the Government shall ensure full respect and protection for the equality of women and shall promote women's participation in the economic, social and cultural development of the state on equal terms as all other citizens.

*[Insert areas that require specific mention if necessary.]*

## IMPLEMENTATION MECHANISMS

**Primary Note:** Implementation mechanisms may take one of two different forms. Some agreements lay out the specifics of the new economic system such as how to create and collect taxes or how the money will be spent. Other agreements create committees or branches of government that will address the more minute details as they arise, keeping in mind the economic objectives laid out in the agreement. As a further note, it is in this section that reparations to various groups such as women and children are generally included.

**Note:** The Somalia agreement creates an implementation mechanism in the form of the Central Administrative Departments, but lacks specificity as to its actual function.

Somalia Addis Abada Agreement, IV, Transitional mechanisms, 2, The Central Administrative Departments (CADs)

The TNC will appoint the heads of the Central Administrative Departments, whose prime function will be to re-establish and operate the departments of civil administration, social affairs, economic affairs and humanitarian affairs, paving the way for the establishment and operation of a formal government. The CADs shall comprise skilled professionals having the ability to reinstate gradually, the administrative functions of national public administration. The performance of these departments will be overseen by the TNC.

**Note:** The Kosovo Agreement goes further to specify how taxes will be levied and collected as well as a mandate for implementing legislation.

Kosovo Agreement, Chapter 4, Economic Issues, Article 1

The authorities established to levy and collect taxes and other charges are set forth in this Agreement. Except as otherwise expressly provided, all authorities have the right to keep all revenues from their own taxes or other charges consistent with this Agreement.

Certain revenue from Kosovo taxes and duties shall accrue to the Communes, taking into account the need for an equalization of revenues between the Communes based on objective criteria. The

Assembly of Kosovo shall enact appropriate non-discriminatory legislation for this purpose. The Communes may also levy local taxes in accordance with this Agreement.

**Note:** The El Salvador Agreement addresses implementation through establishing a national reconstruction plan. This plan's main objectives are the integrated development of zones affected by the conflict, satisfaction of the most immediate needs of the population hardest hit by the conflict and of former combatants of both Parties, and the reconstruction of damaged infrastructure. The Plan also calls for special attention to the need to promote job creation on a massive scale and to increase the production of basic foodstuffs, which shall be a priority for the State. To accomplish this, the Plan enlists the assistance of both the government and the international community.

El Salvador Agreement, "National Reconstruction Plan"

The Plan shall pay special attention to the need to promote job creation on a massive scale and to increase the production of basic foodstuffs, which shall be a priority for the State. To that end, the Government shall promote the integrated development of agricultural, stockbreeding, fisheries, forestry and agro-industrial activities, guarantee the provision of basic social services and launch the construction and rehabilitation of economic and social infrastructures.

Given the magnitude of the additional resources that will be required for the implementation of the Plan, both Parties appeal to the international community to lend its fullest support to the fund-raising effort. To this end, a national reconstruction fund shall be established, to be supported by the United Nations Development Programme.

The role of UNDP shall include advising the Government on all matters relating to the mobilization of external support, assisting in the preparation of projects and programmes likely to attract such support, facilitating approaches to official bilateral and multilateral agencies, mobilizing technical assistance and cooperating with the Government in harmonizing the Plan with the activities of non-governmental organizations involved in local and regional development activities.

**Sample Language: Implementation Mechanisms**

The [parties] [international monitoring body] will appoint the heads of [named implementation body] whose prime function will be to re-establish and operate the departments of civil administration, social affairs, economic affairs and humanitarian affairs, paving the way for the establishment and operation of a formal government. The [implementation body] shall comprise skilled professionals having the ability to reinstate gradually, the administrative functions of national public administration. The performance of these departments will be overseen by the [international monitoring body].

Certain revenues from taxes and duties shall accrue to [specify authority(s) to levy and collect taxes, i.e. a Commune or government agency]. The [legislative body] shall enact appropriate non-discriminatory legislation for this purpose.

The [national government] [international implementation body] shall promote the integrated development of agricultural, stockbreeding, fisheries, forestry and agro-industrial activities, guarantee the provision of basic social services and launch the construction and rehabilitation of economic and social infrastructures.

Parties appeal to the international community to lend its fullest support to the fund-raising effort. To this end, a [national reconstruction fund or other type of financial assistance] shall be established, to be supported by the [the international implementation body, i.e. the United Nations Development Program].

The role of [the international implementation body] shall include advising the Government on all matters relating to the mobilization of external support, assisting in the preparation of projects and programs likely to attract such support, facilitating approaches to official bilateral and multilateral agencies, mobilizing technical assistance and cooperating with the Government in harmonizing the Plan with the activities of non-governmental organizations involved in local and regional development activities. [Include any additional provisions necessitating implementation mentioned in the economic restructuring agreement].

**SUMMARIES OF AGREEMENTS ADDRESSING ECONOMIC RESTRUCTURING**

**Bougainville**

The Bougainville Peace Agreement was formed between Papua New Guinea and the people of Bougainville on August 30, 2001 in order to establish a lasting peace after a devastating nine year civil war. This agreement refers to economic restructuring in two sections: Basic Principles of Financial Arrangements and Taxation. (Art. 9, Sec. A-B) The first section outlines the financial balance between the National Government and the autonomous government of Bougainville, including who will retain what financial responsibilities and controls. Bougainville is granted revenue-raising powers and is guaranteed assistance from the National Government. The second section states specific details regarding how taxes will be levied, implementation mechanisms, and each party's right to monies collected.

**Burundi**

The Hutu and Tutsi factions in Burundi created mass destruction, death and displacement of persons within Burundi. The agreement attempts to establish peace within the country between these two groups. It states specific economic goals such as increasing household income in both urban and rural areas. (Article 15) The agreement then establishes a Reconstruction Unit mechanism to create a three-tiered plan for restructuring the economic system in Burundi. The plan also provides a timeline as to when each tier should be implemented. Most importantly, the agreement approves of an international audit to monitor all financial operations. (Protocol V, Ch. 3, Art. 17) The international humanitarian aid is built into the mechanism for implementation by stating that the Reconstruction Unit will be funded by humanitarian aid from specific groups such as the World Bank and the UN Development Program. (Protocol V, Ch. 3, Art. 17)

**East Timor**

The peace agreement signed between the new state of East Timor and Indonesia in 1999 was the result of a referendum within the state of East Timor, a former province of Indonesia. The referendum approved total autonomy for the state of East Timor. The agreement gives permission to the new government of East Timor to receive international humanitarian aid. (Art. 9)

### **El Salvador**

A treaty signed in 1992 ended a 12 year civil war between the leftist political group and the government. The role of economic restructuring was central to the treaty. The preamble to Chapter V states that economic restructuring is a requirement to reunify El Salvador. In addition, specific objectives were outlined such as loans to the agrarian sector, land ownership, privatization, consumer protection and establishment of a National Reconstruction Plan. The El Salvador Agreement also expands on each of these objectives and their mechanism of implementation. The agreement further specifies that international humanitarian aid for the purpose of community development and assistance projects will be received through proper lending channels. Chapter V.

### **Guatemala**

#### Agreement #1

In 1996 the Guatemalan government and rebel guerrillas signed a series of peace agreements ending a 36 year old conflict that killed over 100,000 people and created over one million refugees. The Guatemala peace accords have an entirely separate agreement dedicated to the rebuilding of the socio-economic structures and the integration of the rebel faction into society. Of particular importance in this agreement is the special objective that recognizes the role of women in rebuilding the economic structure. The objective not only recognizes the need to guarantee women the right to work and the right to education. It also calls for legislation that will act as a mechanism to enforce these objectives. Ch. 1, Art. B, §§ 11-13.

#### Agreement #2

Guatemala Agreement #2 stemmed from systematic human rights abuses suffered by individuals and organizations linked with the government overthrown in 1954, (which later became known as the Unidad Revolucionaria Nacional Guatemalteca (URNG)). Members of this movement were often prevented from participating in the political process, and experienced social and economic injustice. The agreement discusses the right of reparation for victims of human rights violations. The agreement assigns implementation of reparation to a state body which will be responsible for compensating and/or assisting the victims, and which shall take into account recommendations submitted by the Clarification Commission. (III, A, The right of redress, Para. 19)

## **Israel/Palestine**

The Israeli-Palestinian agreement, established September 13, 1993 between Israel and the Palestinian Liberation Organization (PLO) launched an Israeli-Palestinian continuing Committee for Economic Cooperation. Its purpose is to maintain cooperation in the field of trade. It will conduct studies evaluating the feasibility to creating free trade zones in the Gaza Strip and Israel, and mutual access to such zones. (Annex III, Para. 6)

## **Kosovo**

The Kosovo Agreement, signed in 1999, resulted from a movement by the Kosovar Serbs, an ethnic group fighting for a “Greater Serbia” after the war in Yugoslavia. The agreement establishes representative democratic self-government for Kosovo. The Kosovo Agreement establishes very specific mechanisms for the economic structure of the new government. It specifies how the taxes will be established, who will collect them, how they will be spent and who will spend them. (Chapter 4, Article 1) The agreement also states that the Federal Republic of Yugoslavia authorities will ensure the receipt by Kosovo of its international monetary support. (Chapter 4, Art. 1, Sec. 7)

## **Liberia**

The Liberia Agreement of July 25, 1993 states that humanitarian assistance should be provided and transported by the most direct routes available, and further states that all humanitarian assistance should be inspected to ensure compliance with the agreement. (Part II, Sec. E, Art. 17)

## **Sierra Leone**

Sierra Leone’s peace agreement outlines the goal of raising standards in public offices and provides very specific implementation mechanisms to accomplish that end. It states that an office of Ombudsman will be set up to advance a code of professional ethics, integrity and patriotism in public office, and shall seek to eradicate all forms of corruption. (Art. 16)

## **Somalia**

The Addis Ababa agreement entered into by Somalia in 27 March, 1993 addressed many economic issues, but it was not specific enough to ensure change within the country. The only economic objectives included in this agreement were to “affirm” the need for economic relief. (Article II) The mechanism in this agreement for instating economic change was for the appointed heads of the Central Administrative Departments to re-establish generally the government’s economic structure. (Article 5, Section 2) International humanitarian aid was specifically requested by the agreement in a statement thanking the international community for the continued support and assuring that future support would be used in a forthright manner by the government to improve the economic status of the citizens of Somalia (Article 2).

## **Zambia (Angola)**

The Lukasa Protocol encourages Angolans to establish private enterprise on the basis of equal opportunity in order to further economic growth. (Annex 6, Sec. 2, Para. 12). However, it does not provide any implementation or enforcement mechanisms, making it more difficult for Angolans to carry out this particular goal.

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