

Pathways to State-building: Challenges and Opportunities

UNU-WIDER, 27-28 March 2025

Day 1: The Fiscal Foundations of State-building in Fragile Settings

In partnership with the Inter-American Development Bank and the World Bank

The fiscal capacity of states is a useful lens to understand processes of state-building. In many cases, competition between political actors in conflict areas is about the capacity to mobilise, extract and distribute revenues, and various forms of taxation (formal, informal and extra-legal) are frequently deployed as a form of regulatory power by both state and non-state actors in wartime. These dynamics are, in turn, central to understanding the potential for an armed group – or the incumbent government – to transition from the military structures formed during conflict to organisations capable of providing (and financing) public goods (such as security, justice, safety nets, education and health care), mobilising revenue legitimately, building bureaucracies and institutions of governance, and maintaining peace in the aftermath of the conflict.

This workshop will bring together initial insights from the UNU-WIDER's project on '[From Conflict to Cohesion](#)', alongside new work being conducted by the Inter-American Development Bank and the World Bank on the causes and consequences of criminal governance to propose new policy responses to more effective and sustainable state-building processes in fragile settings.

Agenda

8:30 – 8:40: Welcome and introductions
Patricia Justino, UNU-WIDER Deputy Director

8:40 – 9:00: Project conceptual framework
Anna D'Souza, CUNY

9:00 – 10:30: *The role of revenue mobilisation in contexts of violence and fragility*
Chair: **Santiago Tobon**, EAFIT

- **Andrea Arroyo Petro**, University of Naples Federico II, Italy
- **Mario Chacon**, New York University, US
- **Luz Marina Arias López-Montes**, Universidad de Salamanca, Spain
- **Steven von Bockstael**, University of Groningen, The Netherlands

10:30 – 10:45: Coffee break

10:45 – 12:15: *Building effective fiscal capacity in fragile settings*
Chair: **Florian Weigand**, Centre on Armed Groups

- **Tanya Bandula-Irwin**, University of Toronto, Canada
- **Shalaka Thakur**, Geneva Graduate Institute, Switzerland
- **Yuichi Kubota**, Nihon University, Tokyo, Japan
- **Mohammad H. Sepahvand**, Lund University, Sweden

12:15 – 13:15 Lunch

13:15 – 15:15: *Policy solutions to criminal governance*
Chair: **Santiago Perez Vincent**, IDB

- Overall framing: **Santiago Tobon**, EAFIT
- **Jessie Trudeau**, Syracuse University, US
- **Ana Isabel López Garcia**, Maastricht University, The Netherlands
- **Ben Lessing**, University of Chicago, US
- **Andreas Feldmann**, University of Illinois at Chicago, US

15:15 – 15:30 Coffee break

15:30 – 17:00 Session on building a database on armed group taxation.

Facilitated by: **Vanessa van den Boogard**, Research Fellow at the International Centre for Tax and Development, **Max Gallien**, Institute of Development Studies, **Tanya Irwin**, University of Toronto, **Ashley Jackson**, Centre on Armed Groups and **Florian Weigand**, Centre on Armed Groups

Day 2: High-level discussion panel: Strengthening Fiscal and Institutional Capacity in Fragile Contexts: International Support and Local Strategies

Effective institutional and fiscal capacity – the ability of a state to generate revenue, allocate resources, and provide essential public goods and services – is fundamental to stability, governance, and long-term development. However, rebuilding institutions in post-conflict settings is a complex and slow-moving process. Furthermore, efforts to rebuild institutions and bureaucratic structures in post-conflict settings take place alongside more immediate political priorities, such as organizing elections or establishing security arrangements, which absorb both internal and external resources. As a result, many fragile states struggle with weak administrative systems, inefficient public financial management, and limited ability to collect domestic revenue. These weaknesses leave them vulnerable to persistent instability, corruption, and economic stagnation.

These challenges are further compounded by a shifting global landscape of development finance, where reduced aid flows and fiscal constraints make it increasingly difficult for post-conflict states to mobilize the resources needed for long-term institution-building. As donor priorities shift and financing mechanisms become more fragmented, fragile states must navigate complex challenges in balancing external support, domestic revenue generation, and sustainable economic recovery.

This workshop brings together leading experts, policymakers, and researchers involved in UNU-WIDER's project '[From Conflict to Cohesion](#)' to examine how institutional and fiscal capacity can be effectively strengthened in some of the world's most fragile countries. The discussions will explore practical and comparative insights into the mechanisms, challenges, and opportunities for rebuilding bureaucracies, restoring public financial management systems, and ensuring that post-conflict transitions create the conditions for sustainable governance and development in an era of constrained development assistance.

The workshop will be structured around two high-level roundtable discussions, held under Chatham House rules, to facilitate open and solution-oriented dialogue.

Agenda

10:30 – 11:00 Welcome coffee

11:00 – 11:15: Opening remarks

Patricia Justino, UNU-WIDER

11:15- 12:45 **Roundtable 1**: Pathways to strengthening institutional and fiscal capacity in fragile settings: learning from past experiences

Framing questions:

- How can post-conflict states rapidly re-establish functional fiscal institutions and revenue systems? What are the key lessons from past experiences in rebuilding bureaucratic and governance structures?
- How can local actors be empowered to take ownership of fiscal reforms while balancing international technical and financial support?
- What are the most effective strategies to prevent corruption and rent-seeking behaviour during institutional reconstruction?

Chair: Max Gallien, Institute of Development Studies, UK

Panellists:

- **Teles Huo**, Professor of Economics in the Department of Economics of the Universidade Eduardo Mondlane, Maputo (Mozambique perspective)
- **Lesley-Ann Daniels**, Assistant Professor at the Institut Barcelona d'Estudis Internacionals (IBEI) (Ukraine perspective)
- **Yvan Guichaoua**, Research Fellow at the Bonn International Centre for Conflict Studies (BICC) (Sahel perspective)
- **Ashley Jackson**, Co-director of Centre on Armed Groups (Afghanistan perspective)
- **Wafaa Albitawi**, Researcher at Palestine Economic Policy Research Institute (MAS) (Palestinian perspective)

12:45 – 14:00 Lunch

14:00-15:30 **Roundtable 2**: *The role of the international development cooperation in supporting institutional and fiscal recovery in fragile contexts*

Chair: Olli Ruohomäki, Ministry for Foreign Affairs of Finland and Finnish Institute of International Affairs

Panellists:

- **Koen Vlassenroot**, Professor of Political Sciences and Director of the Conflict Research Group, University of Ghent
- **Attiya Waris**, Professor of Fiscal Law at the Faculty of Law, University of Nairobi and UN Independent Expert on Foreign Debt
- **Vanessa van den Boogaard**, Research Fellow at the International Centre for Tax and Development
- **Romain Le Cour**, Global Initiative against Transnational Organized Crime
- **Santiago Perez Vincent**, Inter-American Development Bank

15:30 – 16:00: Coffee and networking