Private Sector Development and Peacebuilding -
Exploring Local and International Perspectives
September 14-15 2006, Berlin, Germany

CONFERENCE CONCEPT NOTE

Objectives

- To highlight the domestic private sector’s potential to contribute to peacebuilding in conflict-affected countries
- To highlight emerging international experience in private sector development (PSD) programming at a country-level
- To facilitate cross-learning between peacebuilding and PSD practitioners

Rationale

Policy research and response into ‘war economies’ have largely focused on the links between natural resource commodity exploitation, the economic agendas of state and non-state armed groups, as well as the potentially negative impacts of foreign investment and company practices. The ‘business and conflict’ debate has led to important international policy developments, for example the development of new standards of business conduct, curtailing trade in ‘conflict commodities’, countering the ‘resource curse’, and tighter controls on laundering the proceeds of corruption.

Meanwhile there is growing acknowledgement that although often bound up with conflict dynamics, local as well as international business actors can also have an interest in securing peace. To date however, the domestic private sector’s potential to contribute to peace has not been well understood. One aim of the conference is therefore to highlight a local business perspective on peace and conflict by drawing on recent research in over 20 countries affected by or emerging from conflict.

Furthermore, for donors and development agencies there is much to be learned from sharing experiences on how to integrate a role for the private sector around peacebuilding and growth immediately post-conflict. In these situations, there are real opportunities for changes in policies and institutions that affect the private sector and experience shows that there is a role for the domestic private sector in crisis prevention and growth. International support for this should start from the peace process onwards, and the window of opportunity obtained after a peace settlement should provide a focus for collaboration on priority reforms in the enabling environment for investment and reconstruction. Therefore a further aim of the conference is to highlight emerging international experience in private sector development
programming at a country level, drawing on specific cases where there is ongoing conflict, and in post-conflict countries.

Background

International Alert’s experience in conflict-affected countries has shown that the domestic private sector can be an invaluable partner in the peacebuilding process. In July 2006, Alert published *Local Business, Local Peace: the Peacebuilding Potential of the Domestic Private Sector*, with financial support from the UK Department for International Development; the German Federal Ministry for Economic Cooperation and Development; the German Gesellschaft für Technische Zusammenarbeit; and the United States Agency for International Development of the United States Government. Developed and researched with partner organisations and businesspeople from conflict-affected countries around the world, it presents more than 20 case studies of business actors taking steps to address violent conflict and its impacts. The study highlights their efforts to support peace processes; to address socio-economic issues that can fuel violent conflict; to build bridges between divided communities and groups; and to alleviate security concerns. It also draws attention to the special role of women entrepreneurs. Alert hopes that this body of research will constitute a valuable resource for local business leaders, peacebuilding practitioners and development agencies alike.

In 2005, the Federal Ministry for Economic Cooperation and Development of Germany (BMZ) passed ‘a sector strategy for crisis-prevention, conflict transformation and peace-building’, framing crisis prevention as a cross-cutting issue for German development cooperation. Correspondingly, German development agencies are in the process of mainstreaming crisis prevention in all development measures. BMZ has furthermore commissioned GTZ to elaborate on the subject of ‘Private Sector Development (PSD) in conflict regions’ as part of its sector project ‘innovative tools for PSD’. The project has worked on tools for conflict-sensitive PSD programme planning and implementation as well as on formulating good practice PSD in reconstruction and reintegration programmes. Case studies have been developed with PSD programmes in Afghanistan, Kosovo, Bosnia-Herzegovina, Caucasus, Nepal and Sierra Leone.

DFID recognises that growth is especially important after conflict and where the state is weak. The private sector can create jobs and provide some services when governments are not able to. Re-establishing a favourable investment climate can be difficult. Getting the timing of reforms right and rebuilding basic infrastructure is essential. Sometimes, just getting the macro economy under control can attract large-scale investment. The UK believes that growth is the ‘exit strategy’ for aid. To reduce poverty quickly, international partners need to put growth at the heart of their relationships with developing countries. Multilateral and bilateral donors can support growth and macroeconomic stability by providing advice and financial support to countries, and by co-operating closely with the international and local private sector.

We hope that this conference provides an opportunity to share and learn lessons on how to more effectively support a positive role for the private sector in conflict-affected countries.
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AGENDA

Thursday, 14th September

08:30 a.m. Arrival and registration

09:00 a.m. Welcome Address

Karin Kortmann
Parliamentary Secretary of State
Federal Ministry of Economic Cooperation and Development (BMZ)

09:30 a.m. Opening Presentations and Plenary Discussion

Post-conflict Investment

“Understanding Investment in Post-Conflict Settings”
Tony Addison
Professor Development Studies
University of Manchester

“Facilitating Post-conflict Investment”
Rob Mills
Investment Climate Capacity Enhancement Program
The World Bank

“Public-Private Partnerships in post-conflict”
Jörg Hartmann
Executive Director, Centre for Cooperation with the Private Sector
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH

“Private Investment and the Role of the State in Reconstruction”
Tilman Brueck
Head, Department of International Economics
German Institute for Economic Research (DIW Berlin)

11:00 a.m. Coffee Break

11:30 a.m. Opening Panel

The Private Sector, Economic Growth and Peace Processes

Cornelia Richter
Head of Planning and Development
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH
Nick Killick  
Head of Peacebuilding Issues Programme  
International Alert

Pierre Guislain  
General Manager FIAS  
Investment Climate Department  
World Bank Group

Paul Collier  
Professor of Economics  
Oxford University

Brian Whittaker  
Chief Executive  
Business Trust, South Africa

01:00 p.m.  
Lunch

Session 1  
Local perspectives

02:00 p.m.  
Presentations and Plenary Discussion

Local Business, Local Peace: the Peacebuilding Potential of the Domestic Private Sector

“Nepal: Putting Peace on the Business Agenda”  
Padma Jyoti  
Chairman  
Jyoti Group/National Business Initiative Nepal  
&  
Ameet Dhakal  
Kathmandu Post

“Colombia: Doing Business Amidst Conflict: Emerging Best Practices”  
Gonzalo Murillo Escobar  
Head, Social Investment  
Interconexión Eléctrica S.A.  
&  
Alexandra Guaqueta  
Academic Director  
Fundación Ideas para la Paz

“Sri Lanka: Building Business Bridges”  
Azmi Thassim  
Director General, Hambantota District Chambers of Commerce and member, Business for Peace Alliance  
&  
Markus Mayer  
Director  
International Alert Sri Lanka

“South Caucasus: Supporting Livelihoods Through Microfinance Across Conflict Divides”  
Yulia Gumba  
Abkhaz Union of Women Entrepreneurs

Irma Dzhgerenaia  
Association of Businesswomen  
&  
Natalia Mirimanova  
Independent Consultant
04:00 p.m.  
Coffee Break

04:30-5:30 p.m.  
Break-Out Session 1:  
Implications for Working Better with the Private Sector in Conflict and Post-Conflict

08:00 p.m.  
Dinner at Brasserie am Gendarmenmarkt

Friday, 15th September

09:00 a.m.  
Report back from break-out groups

09:15 a.m.  
Key Notes

Improved Planning, Intervention and Coordination in Conflict and Post-Conflict Settings

Dan Smith  
Secretary General  
International Alert

Jim Tanburn  
Coordinator  
Donor Committee for Enterprise Development

Session 2  
International perspectives

09:50 a.m.  
Presentations and Plenary Discussion

Private Sector Development in Conflict Settings

“Moving from Conflict Analysis to PSD Planning”  
Sabine Becker  
Project Manager 'Innovative Tools for Private Sector Development'  
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH

“Promotion of Economy and Employment in Conflict Environments - Lessons from Nepal”  
Armin Hofmann  
Principal Advisor  
Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH, Nepal

“PSD in Somalia”  
Hilary Sunman  
Economic Adviser  
Africa Equatorial Department, UK Department for International Development

“Promoting PSD in Conflict-Affected Fragile States: Experiences and Lessons Learned”  
Maria Kim  
Economic Policy Advisor, Private Sector Development  
Canadian International Development Agency (CIDA)

11:00 a.m.  
Coffee Break
11:30 a.m. Presentations and Plenary Discussion

Private Sector Development in Post-Conflict

“Business development for peace - experiences from Croatia, Palestine, Somalia, Sri Lanka and Timor Leste”
Alfredo Lazarte,
Director
ILO, Crisis Response and Reconstruction Programme
&
Karl-Oskar Olming,
Specialist in BDS
ILO Small Enterprise Development (SEED)

“PSD and economic reform in post-conflict”
Johannes Giwer
Head of Economic Reform Programm,
GTZ Afghanistan

“Injecting PSD reform in the post-conflict assistance agenda”
Richard Stern
Regional Program Coordinator, Africa
FIAS Program
&
Catherine Masinde
Senior Investment Officer
FIAS Program
&
Marc Reichel
Senior Legal Expert
FIAS Program

01:00 p.m. Lunch

Session 3 Emerging issues in conflict-affected economies

02:00 p.m. Presentations and Plenary Discussion

“The Impact of Peacekeeping Missions on Local Economies”
Michael Carnahan,
Visiting Fellow, Crawford School of Economics and Government, Australian National University
and Project Leader, Peace Dividend Trust

“Promoting regional trade and cooperation in the South Caucasus”
Stefan Oehrlein
Team Leader
GTZ Project for Food Security, Regional Cooperation and Stability in the South Caucasus

03:00 p.m. Break-Out Session 2:

Potential areas for Enhanced Donor Collaboration and Partnerships with Others

04:00 p.m. Coffee Break

04:30-5:30 p.m. Wrap-up and close
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Administrative Arrangements

Conference Venue
The conference took place at GTZ Haus Berlin, Reichpietschufer 20, 10 785 Berlin (at Potsdamer Platz), Tel: +49 (0)30 726 14 0, Fax: +49 30 72614-130.

Conference Convenors
For information on the conference, please contact:
Sabine Becker, GTZ, at Sabine.Becker@gtz.de
Malaika Culverwell, DiFD, at M-Culverwell@dfid.gov.uk
Canan Gündüz, International Alert, at cgunduz@international-alert.org

Moderation
The conference was moderated by Dr. Sybil Dümchen, from denkmodell, at berlin@denkmodell.de, Tel.:+49-30-690488-0, Fax:+49-30-690488-99

Conference Management
GTZ Berlin’s conference manager, Ms. Mascha Peters (PSD_Peace_Conference@gtz.de, phone: +49 30 726 14 232) was responsible for the administrative organization and implementation of the conference.