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

BREAK-OUT SESSION 1

Implications for Working Better with the Private Sector in Conflict and Post-Conflict

The Private Sector’s role in Peacebuilding can be strengthened by...

Definitions

• Need to understand who and what the private sector is (formal vs. informal; criminal vs. legit…) and its multiple roles → need to develop different strategies to meet different roles and types

Within PSD Strategy

• creating greater awareness of costs of conflict and benefits of peace and transferring this insight to other businesses
• creating greater awareness of the private sector being a relevant actor
• facilitating dialogue between key stakeholders (public and private) + support partnerships (public, private and civil)
• providing support to selected sectors → then have cross-sectoral alliances
• strengthening chambers and business associations + networking between BA and civil society
• creating awareness among consumers/shareholders (as pressure groups)
• educating local private sector + strengthening private sector capacity to carry out conflict sensitive risk assessments
• developing sanction and incentive system for private sector and its peacebuilding conduct
• designing differentiated peace building strategies for different levels, sectors and types of local private sector in the conflict zone

• putting political pressure on MNCs who get into conflict situations and exacerbate conflicts
• identifying and supporting private sector leaders who are motivational and capable of building peace.
• encouraging participation of the diaspora
• adapting procurement policies in the reconstruction phase
• finding the right balance between quick wins and reforms of business environment
• putting the emphasis on reducing risk of doing business, reducing transaction cost comes second
• assuring private sector representation in policy change process (inclusive consultation process)
• Getting PSD people on the ground with the UN Peacekeepers! PSD should begin immediately when peace is established & contracts are given out (BUT strong businesses might be the ones enmeshed in conflict & other local businesses do not have capacity)

Strengthening of Private Sector

• improving investment climate for business to create jobs
• protecting selected industrial sectors in post-conflict by qualifying type of development
• creating an enabling institutional environment through development of legal frameworks, institution building including finance sector development, insurance of private sector and shaping conditions for funding local private sector
• strengthening local civil society/business actors in conducting economic and business gaps analysis to identify pressing investment needs and opportunities, and invite/involve business on the basis of this analysis
• providing technical support and subsidies for local emerging business on behalf of large international/foreign private sector

Supporting CSR

• understanding the impact of CSR
• simplifying codes of conduct and promoting standards
• providing capacity building in CSR