Private Sector Development and Peacebuilding -
Exploring Local and International Perspectives
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BREAK-OUT SESSION 2

Potential Areas for Enhanced Donor Collaboration and
Partnerships with others

In order to improve PSD effectiveness in conflict/post-
conflict settings, donors should...

Enhance (Donor) Coordination
- move from division of labor to joint analysis (esp. on country level)
- align procurement procedures
- conduct alignment exercise among team leaders/senior project managers
- strengthen coordination of planning at HQ level in capitals with participation of recipient government and civil society as well as country level in a systematic fashion targeting the micro, meso and macro level.
  → challenge: how to select partners?
- use the UN resident coordinator in more effective way to strengthen coordination
- exchange with military
- ensure that coordination is transparent and information is disseminated to the wider part of the population
- overcome the structural challenges of different and competing donor incentives (i.e. a European donor provides bilateral assistance + financial aid through multilateral mechanism such as the UN and European Commission → donor is faced with a dilemma of demonstrating results to national taxpayers and accept that resources are pooled together in joint programmes over which they have limited control).
- use leverage (OECD membership for instance) to exercise pressure on donors who are less collaborative or even destructive.

Improve Donor Behavior/Mode of Operation
- apply OECD/DAC principles
- ensure good standards and criteria when providing financial assistance to NGOs, civil society and private sub-contractors
- ensure accountability of donors + M+E from very beginning
- be more creative in their partner selection (esp. non-governmental)
- be transparent about lessons learned

Within PSD Strategy
- be strategic in the development of PSD according to post-conflict needs, i.e. reshape classic PSD policy tools to fit post-conflict situation
- involve the (local) private sector + respect local best practices and build on existing assets if and where possible
- intervene in few sectors only
- better engage diaspora → research needed to develop new strategies
- take into account the possible negative impact of security policies
- reduce commercial and political risk

Enhance Aid Effectiveness
- greater use of pooled funds on projects/interventions or even manage money through a single multi-lateral mechanism (trust fund)
- build national capacity to manage and coordinate donor assistance, and foster a cohort of interlocutors/facilitators who understand donors world

- use leverage (OECD membership for instance) to exercise pressure on donors who are less collaborative or even destructive.