„Promotion of Economy and Employment in Conflict Environments – Lessons from Nepal”

Armin Hofmann & Sonja Vorwerk-Halve, GTZ

International Conference ‘Private Sector Development and Peacebuilding – Exploring Local and International Perspectives’

Berlin, September 15, 2006
Content

- Introduction
- Systematisation
- Manual for Promotion of Economy and Employment in Conflict Environments
- Peace and Conflict Assessment with a Focus on Economy
- Approaches Example:
  - Microfinance in Conflict Environments
Introduction

- There are many SED interventions in countries which are affected by a conflict. However, many of these interventions work around the conflict.
- So far, focus of research has been on SED in post-conflict. Little experience with SED in on-going conflicts.
- SED has a dual objective: growth + social justice = pro-poor growth. This dual objective is very compatible with conflict transformation or prevention.
- Challenges of SED projects in on-going conflicts: (1) do-no-harm; (2) coping with negative impact of conflict; (3) addressing conflict issues, esp. working on the root causes or on conflict triggers.
- Experiences from Sri Lanka and Nepal
- Realisation of the relevance of the topic
- To be sensitive is not enough
Systematisation

- Analysis of the frame conditions
- Identification of reasonable and practical intervention approaches
- Joint systematic approach integrating crisis prevention, conflict transformation and peacebuilding with Sustainable Economic development
- Especially for practitioners and implementation
- Identification & development of useful tools
Manual for Promotion of Economy and Employment in Conflict Environments

- Combines lessons, tools and instruments of crisis prevention & sustainable economic growth (SED)
- Adjusts the existing SED intervention approaches towards working in and on conflict
- Can be used by management and project staff (practitioners) as well as consultants to adjust or plan existing or new interventions
- Limitations:
  - Based on experience in Sri Lanka and Nepal
  - work in progress
- Tools & Examples
- CD to be ready end of the year
- Contributions are welcome
Peace and Conflict Assessment with a Focus on Economy (PC Ae)

- Is based on the standard method of Peace and Conflict Assessment (PCA), but adjusted towards Sustainable Economic Growth
- Sets the framework what and how the SED intervention can work in or on conflict (German concept: K0 or K1)
- Provides checklists and guiding questions to analyse the conflict situation, risks and impact assessment with a focus on economy
- According to the German strategy the PCAe can be used by consultants while planning a new intervention or a new project phase (e.g. progress review mission)
- Results provide suitable intervention approaches for the respective conflict situation
- Based on experience in an on-going conflict
Intervention Approaches

- Microfinance in Conflict Environments
- Business Membership Organisations in Conflict Environments
- Value Chain in Conflict Environments
- Local and Regional Economic Development in Conflict Environments

- Assistance for practitioners at implementation level
- Guidance for: How do we have to implement the intervention?
Microfinance in Conflict Environments

- Group based and cooperative microfinance approaches have shown their capacity to continue services
- Root causes of conflict like unequal access to resources, discrimination can often easily be addressed by these services
- Especially in conflict environments cross cutting issues like good governance, gender, poverty orientation are key for effective and conflict-sensitive development initiative
- Other factors are crucial to design a conflict sensitive intervention such as
  - Selection of partners
  - Sensitive staff, good leadership practice
  - Adjusting products and services to the needs of different target groups especially those affected by the conflict
  - Risk reduction strategies
- We developed useful tools and provide examples that can support interventions to adjust or plan their programmes
Feedback and contributions are welcome!

Please contact:

armin.hofmann@gtz.de