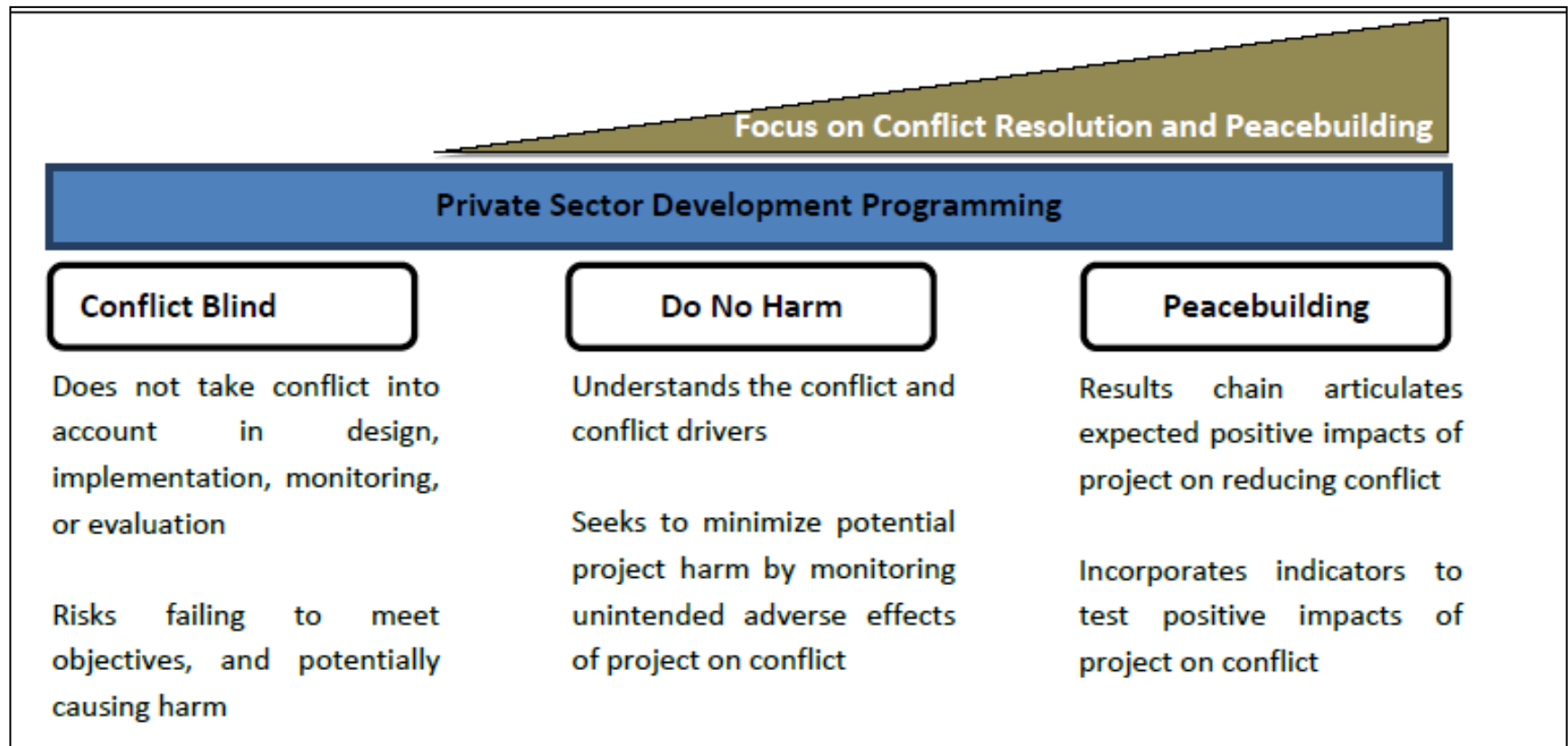


Conflict Sensitive private sector development in fragile settings

Copenhagen, 7 November 2016, Anette Hoffmann

PSD in fragile settings must be conflict-sensitive



source: DCED (2014)

PSD in fragile settings must be conflict-sensitive

Step 1

- Understanding the context of operations, incl. conflict dynamics and power structures

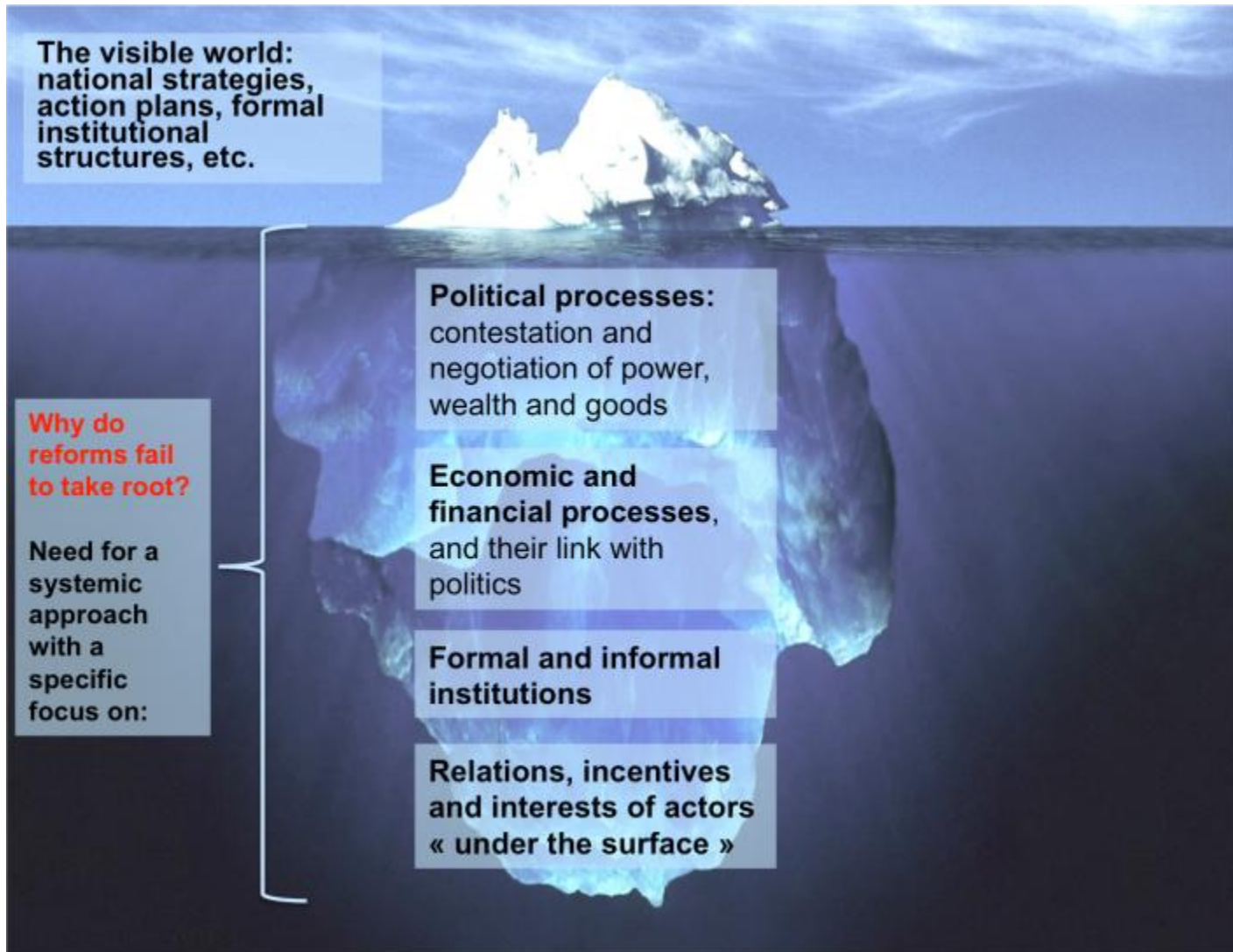
Step 2

- Understanding the interaction between an intervention and this context

Step 3

- Acting upon that understanding of this interaction in order to avoid negative impacts and maximize positive impacts

1. Understanding the context: Pol.Eco.



1. Understanding the context

Private-Sector focussed conflict and fragility assessment

Actors/Networks

Snapshot of the political market place: Who's calling the shots?



Structural political

economy analysis:

How is power being managed ?

Private sector focussed fragility and conflict assessment

- Political settlement and nature of the state
- Possible scenarios, conflict mapping and entry points by sector
- Practical considerations for conflict-sensitive engagement

1. Understanding the context - it's the wife, stupid!



Grace Mugabe,
Zimbabwe



Kadra Mahamoud
Haid, Djibouti



Amina Waris Sheik
Mahmoud, Smd

2. Understanding the interaction



PSD Intervention



Fragility

2. Understanding the interaction

- **Who benefits** from growth in this particular sector, market or region and who doesn't? How are benefits distributed?
- What is the **propensity for organised violence** in this sector, market or region and how is it likely to evolve in the coming years?
- To what extent do **social grievances and inequality** prevail in a certain sector, market or region?
- **How are rents being managed** in this sub-sector or value chain?
- What kind of productive sector support will trigger **support or opposition within the ruling or challenger elites** in the short-/long term?

2. Understanding the interaction

Analysis should inform the following basic programming choices Who to work with?

Target area?

Which industries to focus on?

Beneficiaries?

Sequencing and timing?

Based on these choices:

- (i) identify main risks along result chain (theory of change) and
- (ii) develop mitigation strategies.

2. Understanding the interaction



Shrinking state budget and farmers' mistrust

- Secure market
- Income and food security for tens of thousands of farmers across conflict lines, incl ex-combatants
- **Volatile purchase**



Legitimacy crisis and foreign exchange shortage

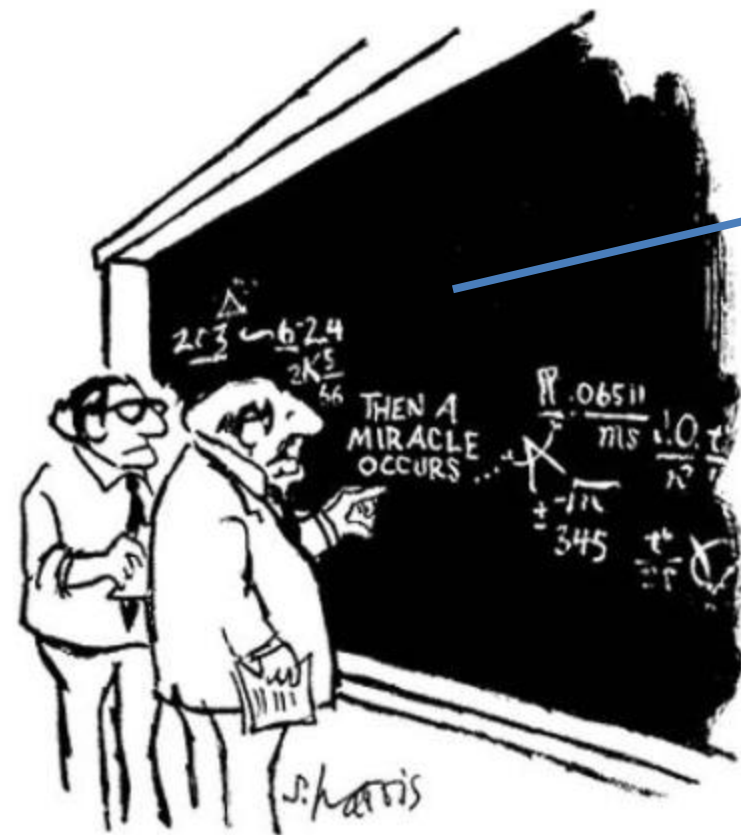
- Job creation
- SME promotion
- Prevention of total break down of order or
- **Financing state violence?**



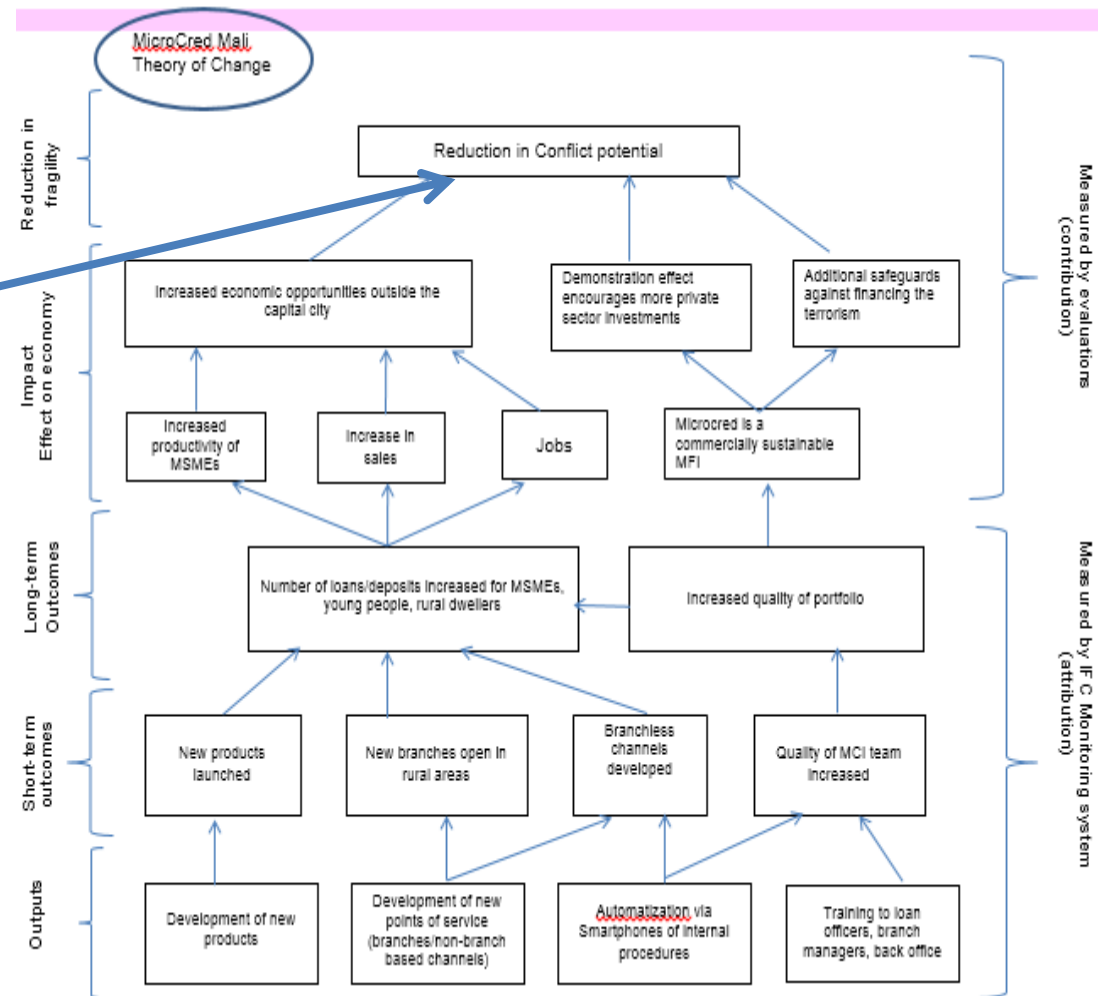
Insecurity affects distribution

- Income generation across conflict lines
- **Increased beer consumption leads to more HH & community violence**

3. Avoid harm and foster peace



"I think you should be more explicit here in step two."



3. Avoid harm and foster peace - What will it take?

- **RECOGNITION:** PSD is an inherently political affair
- **REALISATION:** no new (additional!) checklists, but behavioural change
- **RESOURCES:** more time needed for analysis, M&E, adjustments
- **FLEXIBILITY** to do PSD differently
 - Outputs versus processes
 - Facts versus perceptions

Thank you.

www.clingendael.nl/cru

ahoffmann@clingendael.nl