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Conflict Prevention and Peace Building in Development Cooperation

KC Governance
KfW Entwicklungsbank

Challenges facing conflict prevention and peace building

War and armed conflict are among the principal obstacles to development. They quickly destroy years of development gains, and their impact lasts for decades. Over 90% of the wars and armed conflicts that have occurred since 1945 have taken place in developing countries, hampering sustainable development and seriously damaging their political and economic stability.

Especially since the early 1990s the nature of these conflicts is increasingly complex. Violence often arises from simmering long-term disputes. In many cases it is nurtured by divisive identity policies which exploit structural factors such as ethnic or religious differences. Human rights violations on a massive scale are frequently committed on the civilian population. Often war and crime are interwoven. Existing cleavages may become increasingly volatile as a result of climate change, which adds pressure on scarce resources such as water and farmland. The boundary between war and peace - and in many cases even between the warring parties - tends to become blurred. Many of today's "post-conflict societies" do not follow a linear transition from war to peace, but find themselves in a continuing state of uncertainty. The effects of war and violence remain present, even after ceasefires or peace treaties have been implemented. Different regions within a country often have different levels of stability, and recurrent outbreaks of violence are not uncommon.

Preventing conflicts from escalating into violence and providing effective support for conflict resolution, is thus a crucial challenge for international and development cooperation. Violence and war have a lasting impact; so the various processes of change must be addressed in a conflict-sensitive manner to create a sustainable peace.

Peace and development

The key to long-lasting conflict resolution lies in restoring the state's legitimacy and monopoly on power. This involves renewing the population's trust in state institutions and restoring their capacity to deliver public goods. The establishment of state authority must be linked to the (re-)establishment of the rule of law, so that the power of the state can be controlled effectively. Humanitarian aid must therefore be accompanied and eventually replaced by a comprehensive reconstruction strategy, covering basic public services, social, civil and institutional relationships, and the revitalisation of the local economy. The coordinated action of all parties involved (national as well as international, both state



Inauguration of a substation in Afghanistan

and civilian agencies) is an important precondition for the success of such a strategy.

Foreign, security and development policies are therefore intrinsically linked. Since the mid-1990s, conflict prevention and peace building have formed an integral part of the projects and programmes supported by KfW Entwicklungsbank. Over 30% of the activities supported by the German Federal Government's Financial Cooperation are in countries where there is a heightened need for conflict prevention, where acts of violence are an acute problem or in post-conflict countries.

Financial Cooperation in conflict prevention and peace building

Conflict prevention and peace building both create particular challenges for development partners. Besides a conflict-sensitive design of "regular" programmes, a range of specific approaches for effective conflict prevention and management has been developed.

In general, these approaches seek to bring stability while addressing the structural causes of conflict. The overall concept is to promote the legitimacy and transparency of the state, to involve the population in decision-making, to prevent economic and social discrimination, and to encourage a culture in which interests are reconciled through non-violent means. On behalf of the Federal Government, KfW Entwicklungsbank projects support conflict prevention objectives through regional approaches, national programmes, and at the local level. KfW always seeks to create an environment of structural stability in crisis-prone developing countries.

The following are examples of five central fields of German Financial Cooperation activity.

1. Reconstruction and employment in post-conflict situations

After a violent conflict, the immediate priority is to improve the affected population's living conditions. Through the provision of housing, water supply, health care and facilities for basic education, the projects and programmes supported by KfW Entwicklungsbank contrib-



Reconstruction work in Afghanistan

ute to meeting people's basic needs. In addition, KfW supports its partners in the construction of bridges and roads and in the restoration of basic energy supplies to aid the return to normality. Rapid reconstruction sends out an encouraging sign that gives people hope for the future, makes them trust in the post-war order and, not least, constitutes an important element in the implementation of many peace agreements.

Along with the destruction of infrastructure, the poor employment and income situation is another central problem in post-conflict countries. Once violence has ended, KfW-supported projects provide temporary paid labour to workers through the rapid implementation of employment schemes. By enabling income to be generated in this way, German Financial Cooperation increases people's ability to help themselves and gives them the opportunity to improve their families' living conditions.

With these objectives in mind, KfW Entwicklungsbank on behalf of the Federal Government is supporting reconstruction efforts in Afghanistan, the Palestinian Territories, the Democratic Republic of Congo, Liberia and Sierra Leone. Liberia has so far been particularly successful in its transition to peace. Here, reconstruction work takes place under the umbrella of committed political reform. German FC supports these efforts with a programme for reintegration and reconstruction. Infrastructure and basic services are currently being improved for some 15,000 families, following priorities agreed with villagers and state authorities. In addition, Germany contributes through FC to a multi-donor effort to reconstruction by financial support to the Liberia Reconstruction Trust Fund and an active role in the Fund's oversight committee.

Afghanistan

After a quarter century of armed conflict and the inhumane rule of the Taliban, the country's social and economic infrastructure is largely in ruins. In 2002 KfW, in consultation with the Afghan government, began analysing the population's most pressing needs. Improving drinking water and electricity supply, rehabilitating economic infrastructure (roads, bridges, markets, and airports) setting up health facilities and providing them with medical equipment and medicines, and rehabilitating primary as well as vocational training schools and equipping them with furniture and teaching materials were identified as the most urgent requirements. Through the immediate implementation of such projects, addressing these basic needs, KfW on behalf of the Federal Government helps creating the necessary preconditions for the country to return to peace. Furthermore, German Financial Cooperation contributes to a trust fund managed by the donor community which finances the salaries of public servants as well as national programmes for community-based projects in various sectors. This ensures a basic supply of public services until the Afghan government is capable of ensuring these services itself.

2. A peaceful future for victims and offenders

Reintegrating ex-combatants and soldiers into civil society is essential for securing peace in post-conflict countries. Unless former fighters are offered the prospect of a new life immediately after they are disarmed, banditry and an increase in violent crime are likely to follow. The risk of a renewed violent escalation of the conflict then increases.

Alongside the demobilisation and reintegration programmes jointly supported by the donor community, former combatants are also deliberately integrated into reconstruction and employment programmes financed by German Financial Cooperation (FC).



Primary school in Syria

Programmes are most likely to succeed if they pursue a holistic approach that brings the offenders, the victims and the local population together while addressing their specific needs. In the DR Congo and Liberia, such specific needs relate especially to women who became victims of sexual violence during the war. They receive both medical care and psycho-social counselling to assist them in returning to as normal a civilian life as possible.

Syria - Iraq

Violent conflicts affect civilians most of all; refugees or internally displaced persons lose their livelihoods. This places an excessive strain on the states and communities that receive them, and in particular on the basic services they provide. Under an emergency programme in Syria, German Financial Cooperation is therefore financing the rehabilitation, expansion and equipment of schools - where many students are refugee children from Iraq - as well as the construction of new school facilities. The programme is creating additional capacity to accommodate both Syrian and Iraqi children in densely populated regions around Damascus. This not only contributes to improving the living conditions of the refugees, but also to preventing conflicts from erupting in the host country.

3. A transparent regulatory framework

In crisis-prone countries the absence of a secure legal framework not only hinders development efforts but also is one factor that can favour the emergence of violent conflict. Unsettled ownership issues, patronage and corruption cause the population to be increasingly suspicious of the state. Through the projects and programmes it finances in these countries, KfW seeks to foster transparency and public accountability, to involve both public and private sector organisations and thereby to counteract the development of informal networks and the unilateral imposition of the will of particular interest groups.

The Democratic Republic of Congo is undergoing a phase of reconstruction and transformation, but in the east of the country violent confrontations continue. While projects in these trouble spots are focused on reconstruction and stabilisation, the recreation of transparent structures and processes remains the long-term objective. Against a background of widespread corruption, German Financial Cooperation is currently working in the microfinance sector to promote the transition to the rule of law and to market economy structures.



A cookshop in Congo -

Democratic Republic of Congo

German Financial Cooperation is helping professionally run, corruption-free, politically independent NGOs to develop into microfinance institutions. Through a "Challenge Fund", they are being helped to evolve into transparently run microfinance institutions and reliable partners for local micro-businesses. KfW is also participating in the establishment and development of ProCredit Bank which, in addition to providing microloans and savings accounts to individual customers, is the first bank in the country to introduce ATMs. Along with other donors, KfW has had a seat on the supervisory board for several years, ensuring that the bank operates in a transparent manner and combines banking standards with development orientation. In comparison with the informal and even illegal business practices that are widespread throughout the DR Congo, ProCredit Bank stands out because of its efficiency, transparency and competence. Its business policy is free from political influence and it operates purely in accordance with banking criteria, thereby setting a positive example of transparency and accountability. Automised payment of salaries for ministerial staff can, for example, reduce room for corruption through fake employments.

4. Reconciliation of social and economic differences

Ethnic and religious discrimination against specific population groups are often the cause of protracted social conflict. By supporting the involvement of discriminated groups in political decision-making processes and by promoting the consideration of their interests, the projects and programmes supported by KfW on behalf of the Federal Government can help to defuse this potential for conflict.

In Guatemala, social discrimination against the Mayan population is seen as the main cause of the civil war, which ended in 1996.

Guatemala

The FC project to promote regional centres of the Universidad Rafael Landívar (URL) was designed to benefit students from indigenous and poor families in particular. After their studies at the URL, most of them work as technical or management professionals in their respective regions, which qualifies them to play an active part in shaping their country's political and economic progress. The expansion of the URL's regional centres, a scholarship programme and the promotion of free legal services gives the marginalised indigenous population improved access to education and to the legal system. These measures address root causes of the conflict in Guatemala, and they contribute both to the implementation of the peace process and to the modernisation of the country's society and political institutions.



Guatemala

Furthermore, programmes aimed at promoting decentralisation place responsibility for development activities in the hands of local administrations and support them during the implementation process. One such example is the involvement of German FC in the Tuareg region in northern Niger. Here KfW Entwicklungsbank supports decentralisation with the aid of a local development fund. The programme contributes to the stabilisation of the region as it addresses the central grievances of the Tuareg. It gives the semi-nomadic minority, improved opportunities to gain more autonomy through their own initiative in their traditional environment within the structures of state and thus helps transforming the conflict into "minor" negotiation processes.

5. Local violence prevention is conflict prevention

In many contemporary violent conflicts there are no clear boundaries between war and

communal or criminal violence. This makes the prevention of local violence an important element of peace building in Financial Cooperation. This field of action is growing in importance because of the problems of increasing urbanisation and not least as a consequence of the economic and food price crises in 2008 and 2009. In many cities, the inhabitants suffer from repression at the hands of the state and the police, unemployment, hostility towards immigrants or the spread of HIV/AIDS. This leads to a lack of prospects which can easily end in violence and crime, especially when it is politically exploited and radicalised. FC-financed urban violence prevention measures address this criminal violence within the framework of municipal development and slum rehabilitation programmes. By working with young people, they aim first and foremost to prevent the spread of conflict and violence.

South Africa

In Khayelitsha, a township on the outskirts of Cape Town, German FC is supporting efforts to reduce the rates of murder and violence, which are significantly higher than in the rest of the world. Some of the causes are rooted in the apartheid era and reflect a lack of mutual trust, not just between the state and the population, but also among the local population itself. For these reasons German FC is supporting the local population, civil society, local NGOs and the municipal and provincial administration in jointly prioritising the implementation and maintenance of public infrastructure. Local initiatives are being supported in planning and implementing their own small-scale projects which benefit the general public. German FC is also supporting local NGOs in counselling victims and perpetrators of violence. This enables the various groups to come together and to perceive each other for the first time as partners who should be taken seriously and who are working for each other's benefit. The people also realise that they can shape the development of their community. Projects now in place include mini-pitches where children and youths play football. In playing games, they learn to follow rules and to respect each other, and they work out their aggression through sport. Whereas the national murder rate dropped by only 2% last year, the activities financed by the FC contributed to reducing the murder rate in Khayelitsha by 32% (100 fewer deaths).

These five fields of action highlight the broad spectrum of measures which KfW Development Bank is supporting in the areas of conflict prevention and peace building. However, the range of measures also covers emergency assistance such as the supply and distribution of food, and it extends to regional peace building programmes such as transnational conservation areas, known as "peace parks". In all these fields of action the main concern is not the financed investment itself but how it is designed. By taking a participatory approach that builds on the non-violent



Playground in Khayelitsha

reconciliation of interests and supports the development of the state, German FC can contribute to preventing and mitigating violent

conflicts. It thus creates the fundamental prerequisites for sustainable development in countries with the potential for conflict, countries undergoing violent conflict and post-conflict countries.

Further information:

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