

## Crisis prevention and resilience

Preventing conflicts breaking out and reigniting; sustainably increasing the resilience of people and institutions.

Conflicts cause huge economic losses for the states and regions affected. Development progress that has been achieved can be wiped out in a very short space of time. KfW Development Bank deploys measures before, during and after violent conflicts to focus on addressing the causes of the conflict and on strengthening resilience.

### Context

In 2019, there were almost 80 million refugees, probably the most dramatic consequence of the large increase in violent conflict over the past ten years. According to information from the *Peace Research Institute Oslo* (PRIO), in 2018 there were 52 active armed conflicts in 36 countries.

The causes of conflicts are diverse and complex. For example, “poor/bad governance”, weak state capacity and violent extremism combine with the rural population’s loss of basic means of subsistence due to climate change, with conflicts about resources and land use, or with health crises such as COVID-19 or Ebola. Furthermore, around 50% of post-conflict countries fall back into the spiral of violence within five years of reaching a peace agreement, and risk becoming caught up in a protracted crisis. In post-conflict countries where the state institutions are too weak to provide basic services and assert their monopoly on use of force, criminal organisations often contribute to further destabilisation through corruption and violence. This creates a vicious circle which makes a return to conflict more likely.

### The KfW development approach

Prevention is the best way to promote peace because it not only spares the population enormous suffering, it also avoids the heavy economic costs of rebuilding and squandered development opportunities. In its “Preventing Crises, Resolving Conflicts, Building Peace” guidelines (2017), the German Federal Government undertakes to end violence as a way of settling conflict, end fragility as a breeding ground for violence and facilitate development in the long term.

KfW Development Bank is leading several measures for the Federal Government on preventing violent conflict and promoting peaceful conflict resolution mechanisms. At the same time, this work strengthens local capacity to handle crises and build the resilience of people and institutions facing crisis situations.

**Crisis prevention** focuses on the structural, political and social causes of conflict, such as inequality, poverty, human rights breaches and restriction of political participation, and tries to mitigate them. The goals range from short-term avoidance of conflict escalation to the creation of long-term prospects for peace. One of KfW’s core development approaches to crisis prevention consists of dismantling social and economic inequalities, including by building/rehabilitating infrastructure and enabling employment in disadvantaged regions. “Good governance” reforms in the public sector, such as supporting decentralisation processes, encouraging citizen participation and budget transparency or developing and expanding social security systems have a medium to long-term preventive effect. In post-conflict situations, the combination of short-term crisis management measures (rebuilding, employment promotion) and long-term preventive measures (victim compensation funds, private sector funding, violence prevention) has a preventive impact because it redevelops social cohesion and confidence in the state and reduces the danger that conflicts will flare back up.

There is not usually a single cause of conflict; instead, a conflict situation arises from a multitude of intertwined causes, actors and dynamics. This is why KfW often uses multi-sectoral development approaches or individual measures embedded within an overarching crisis-prevention concept to achieve the desired preventive effect. In doing so, there is a focus on designing measures to be context and conflict-sensitive, in order to avoid unintended effects which may exacerbate conflict and endanger the preventive impact.

The concept of **resilience strengthening** aims to empower individuals, societies and (government) institutions to handle crises independently, adapt to recurring stresses to reduce the negative consequences and sustainably overcome crises through structural change. Typical KfW development approaches include, for example, temporary transfer services (food voucher systems, health care) and the maintenance of basic services (provision of water and sanitation, basic health care, food security, etc.) to ensure that subsistence is possible. In the medium to long term, the creation of alternative sources of income (e.g. for sectors in decline due to structural change) or the development and expansion of basic social security mechanisms can empower people to adapt to long term change, cushion its negative effects and, in an ideal world, minimise them. Drought resilience programmes and insurance mechanisms (crop insurance, health insurance, etc.) can also improve resilience.



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Irrigation system on a field. Source: KfW photo archive, originator: photothek.net

### Somalia – Strengthening resilience

The “Strengthening resilience in south central Somalia” programme, in cooperation with UNICEF and the World Food Programme, promotes access to basic services in the areas of health care, food security and the provision of water and sanitation. It also strengthens the expansion of community-based and government logistics and response systems for treating malnutrition and undernutrition and provides other basic health care services. The increased involvement of communities, households and individuals in providing services ensures that the target group receives better information on hygiene and nutrition.

Overall, up to 1.2 million people benefit from the intended measures, with a particular focus on pregnant and breastfeeding women, as well as children under 5 years old.

The measures are designed according to demand and development in order to close the gap between short-term humanitarian aid on the one hand, and long-term structural development cooperation on the other.