

Safe communities, resilient systems: Towards a new action framework on business and peacebuilding

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This report sets out the case and emergent priorities for a new action framework for conflict prevention in the context of large-scale business investment in conflict-affected and fragile environments. This action framework proposes a focus on the dispute resolution and prevention capacities of local actors on the ground, as well as on the respective roles of international actors – including but not limited to business – in strengthening them. The report also sets out action points in preparation for a retreat on the operationalization of the action framework from 7-8 November 2012 in Switzerland.

The emergent priorities for the operationalization of an action framework for business and peacebuilding identified in this report are to:

- **Improve dialogue among sectors and institutions:** Business and peacebuilding actors who operate in the same environments need enhanced interaction, particularly at the local or regional level, as well as better knowledge management of experiences, practices, and tools.
- **Better define the roles of international actors:** Meeting the challenges of timing, sequencing, and coordination across sectors for optimal conflict prevention requires greater consensus on the shared responsibilities but differentiated roles of various international actors.
- **Operationalize a capabilities approach:** Even as promising frameworks for conflict prevention crystalize, actors require an understanding of the skills, systems, processes, and collaborative mechanisms to put them into action.
- **Engage a broader circle of actors in specific settings:** Many economic sectors, smaller enterprises, and new actors from emerging economies are less exposed to conflict prevention practices. This implies a need for more vigorous outreach in specific conflict-affected and fragile environments.

The action framework proposes a shift in focus from the company to the community, asking how best to strengthen the dispute resolution and prevention capacities of actors on the ground, and what are the respective roles of business and peace-building actors in doing so

The Geneva Peacebuilding Platform is a joint project of four institutions:

One of the most striking commonalities across these diverse actors is their growing focus on local capacity for conflict prevention

The action framework on business and peacebuilding advances two strands of strategic analysis underlying the emergent priorities. The first is to better understand what makes communities resilient in a specific setting. In particular, a more systematic shift from 'weakness' to 'strength' assessments within local communities could open new opportunities to foster dispute resolution mechanisms and capabilities that can be built on in the context of large-scale investment. The second strand of analysis is to systematise the evidence for international support of conflict prevention, better understanding both the optimal roles and the capabilities needed to execute those roles for companies and other international actors.

This report is the first product of a one-year, multi-stakeholder process co-convened by the Friedrich-Ebert-Stiftung (FES) and the Geneva Peacebuilding Platform. In collaboration with the United Nations Peacebuilding Support Office (PBSO), FES and the Platform brought together a select group of companies, business associations, international organisations, non-governmental actors, and academia, including stakeholders from the Global South. They gathered to share experience, build common understanding, and identify critical needs for conflict prevention and peacebuilding where business operates in areas of heightened socio-political tension. They provided with their comments a critical base for this report.

One of the most striking commonalities across these diverse actors is their growing focus on local capacity for conflict prevention. Realisation grows within the peacebuilding community that effective programming requires multi-stakeholder processes owned by local social and political networks and institutions, even as they remain internationally embedded. At the same time, it is increasingly apparent from the business perspective that a stable operating environment requires strong and resilient actors within a community or region who can identify and mobilise appropriate responses to tensions and stress factors from whatever source.

As conflict-prone states and communities cope with stress factors, they also accommodate a growing number of international actors, including those related to business investments as well as programmes of international organisations or non-governmental organizations. In this context, it is evident that no actor can achieve its goals in isolation. Common questions include how best to strengthen the dispute resolution and prevention capacities of communities on the ground, as well as the respective roles of business and peacebuilding actors in doing so.

The case for a new action framework

The potential for the private sector to contribute to conflict prevention is rising on the international agenda. Investments that facilitate employment growth, skills development, and a more inclusive economy are not only valuable in their own right. As explored in the World Development Report 2011, they also reduce socio-political tensions in ways that help create space for consensus-building on security, civil and economic rights, good government, and other issues critical to stability and development. The “New Deal for Engagement in Fragile States” put forward as a multi-stakeholder effort by fragile and conflict-affected countries, development partners, and international organisations articulates that to “generate employment and improve livelihoods” is one of five peacebuilding and statebuilding goals, incorporating private sector actors into a formal peacebuilding and development framework.

The task remains, however, to generate the actionable insight and advice required for effective business engagement as a proactive force for peacebuilding and inclusive growth. To meet conflict prevention needs where business operates in fragile environments, there is compelling value to situating company-centred frameworks for action within a multi-sectoral, multi-layered action framework that builds on the strengths of business, peacebuilding and local actors.

Business regulation and self-regulation in fragile environments

Contemporary discourse on business and conflict converges on the imperative that enterprises “act with due diligence to avoid infringing on the rights of others and to address adverse impacts with which they are involved,” and to increase “access by victims to effective remedy, both judicial and non-judicial,” as set out in the *Guiding Principles on Business and Human Rights*, the so-called Ruggie Principles. Action frameworks include, illustratively, the following:

- Binding legal frameworks, such as the United Nations and Organization for Economic Cooperation and Development (OECD) conventions against corruption, as well as their soft-law cousins, such as the Ruggie Principles themselves.
- Widely-referenced standards of conduct and expert reports, such as the International Finance Corporation (IFC) performance standards and the OECD Guidelines for Multinational Enterprises and Fragile States Principles, as well as the International Commission of Jurists’ Report of the expert legal panel on corporate complicity in international crimes.
- Voluntary principles to which companies promise to adhere, such as the Voluntary Principles on Security and Human Rights and the Extractive Industries Transparency Initiative, typically developed through multi-stakeholder processes.
- Good practice frameworks and expert reports, such as *Getting It Right: Making Corporate Community Relations Work*, growing out of decades of CDA Collaborative Learning Project’s research on Do No Harm and Corporate-Community Engagement.

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These frameworks increase company sensitivity towards, and accountability for, its own actions in conflict-affected and fragile environments. From a conflict prevention perspective, they recognize that business operations are a potential cause of tensions and stress factors in a fragile environment.

Less well highlighted is business as one stakeholder among many in a fragile context. A company is both one international intervener among others working to influence the environment, and a local actor impacted by socio-political factors beyond its control. No matter how ethical or effective business may be in managing its own operations, it cannot, by itself, prevent conflict or ensure a stable operating environment.

Limits on a company-centric framework for conflict prevention

While commentators often discuss business-community conflict as a bilateral phenomenon, tensions and stress factors will typically involve many more players and issues. One company's factory may be next door to another's; an international company's concession may be in the same area as artisanal miners operating in grey areas of the law. Beyond the business sphere, a company may have limited influence over more generalized socio-political and socio-economic tensions, particularly in the aftermath of violent conflict. Questions of jobs, security, justice, governance, service delivery, reparations, or any number of other contentious issues may play out on the shop floor or in front of the company gate, whether or not the company's own actions or inactions are implicated. In such cases, the company's effectively management of its own operations is necessary but insufficient to meet conflict prevention goals.

Emerging frameworks for conflict prevention underline that the greatest potential for conflict prevention lies in fostering the strength and resilience of local actors who identify and mobilise constructive responses to any and all tensions and stress factors in the environment, including but not limited to those that arise in the context of large-scale private sector activities. This creates a significant challenge of timing and resources: community mobilization and capacity-building should ideally begin proactively, when investment interest in a conflict-prone community becomes apparent. It should not wait for the arrival of a particular corporate actor. A company can collaborate with, support, and align its own systems with these local and legitimate social and political networks and institutions. Business cannot create such networks and institutions on its own, and should not control or dominate them.

The greatest potential for conflict prevention lies in fostering the strength and resilience of local actors

Effective conflict prevention in light of these challenges is multi-layered and multi-sectoral, creating imperatives for business, international organisations, development and peacebuilding actors, government, and local communities. Mechanisms must exist for joint assessment and collaborative planning, linking local action regionally, nationally and internationally, and defining roles, responsibilities, timing and sequencing across the variety of players.

Companies are poorly situated to drive such efforts, and all actors must overcome structural challenges. Though alignment of efforts is critical, the World Development Report 2011 notes that “Joint planning and assessment tools have not generally been used to their full potential.” The OECD Fragile States Principles Barometer (2011) notes that donor commitments both to implement “do no harm” and to “agree on practical co-ordination mechanisms between international actors” are “off track” and in fact trending in a negative direction.

Situating private sector investment within a broader action framework

An action framework for conflict prevention in the context of large-scale business investment in fragile environments must therefore move beyond regulation of the company to incorporate a more holistic understanding of conflict and conflict prevention dynamics. It must provide actionable insight on a number of critical challenges in specific settings:

- **Identifying the constituent elements of effective local capacity for dispute resolution and conflict prevention.** Emerging peacebuilding strategies such as the Infrastructures for Peace may be drawn upon, but distinctive elements for large-scale investments must also be understood.
- **Building consensus on the shared responsibilities but differentiated roles of international actors.** Actors must draw on strengths and maintain legitimacy in supporting conflict prevention capabilities, taking into account the long lead times for their development.
- **Identifying the constituent elements of effective collaboration across sectors.** Models are required for multi-sectoral, multi-layered and coordinate action, particularly where government may lack the capacity or legitimacy to play a leading role.

In sum, the new action framework proposes a shift in focus from the company to the community, asking how best to strengthen the dispute resolution and prevention capacities of actors on the ground, as well as the respective roles of business and peacebuilding actors in doing so.

Effective conflict prevention is multi-layered and multi-sectoral

An action framework for conflict prevention must move beyond regulation of the company to incorporate a more holistic understanding of conflict and conflict prevention dynamics.

A robust, action-oriented discussion in November will require certain building blocks

Operationalizing the action framework

As a next step of a one-year, multi-stakeholder process towards a new action framework on business and peacebuilding, the Friedrich-Ebert-Stiftung Geneva Office and the Geneva Peacebuilding Platform are convening a second retreat from 7 to 8 November 2012 at the Château de Bossey close to Geneva. The primary goal is to move from concept to the launch of a two-year initiation phase of the action framework for business and peacebuilding in 2013 and 2014.

Action points in preparation for the November retreat

A robust, action-oriented discussion in November will require certain building blocks. A starting point is consolidation of evidence. Conflict prevention experiences, practices and tools from participants of the March retreat as well as new participants in this network will be included in a separate document. It will distil emergent conflict prevention lessons from a multi-stakeholder perspective. Additional preparatory steps should include the following:

- **Validation and refinement of the case for a new action framework.** It will be particularly useful to convene at least two roundtables that bring together business, peacebuilding and local actors in specific local or regional contexts to discuss the opportunities and challenges of a more multi-sectorial, multi-layered approach to conflict prevention in the context of large-scale business investment in conflict-affected and fragile environments.
- **Development of a draft conceptual framework.** Drawing on the consolidated evidence as well two or more specifically commissioned case studies, the draft framework will provide greater precision of the concepts of local capacity for conflict prevention in the context of business investment, shared responsibly but differentiated roles for international actors, as well as the skills, systems, processes, and collaborative mechanisms needed for execution.
- **Design for an initial phase of action.** This draft plan will lay the foundation for an international network of 'doers'; business and peacebuilding professionals that act through variable partnerships in different settings to advance efforts towards the emergent priority areas. It will propose options for operationalizing emergent priorities in specific settings, administering and expanding the network, monitoring and learning from initiatives on the ground, and providing for knowledge management and access for broader audiences.

Additional funding or leadership by existing network members would be necessary to commission such work prior to the November meeting.

These steps will allow the November retreat to emerge with concrete deliverables:

- (1) Understanding of the modalities, requirements and practicalities of public endorsements of the action framework on business and peacebuilding by early 2013.
- (2) Preliminary agreement on the operationalization of the global action framework in 2013 and 2014, including strategies to fund such efforts.
- (3) Identification of partnerships that can advance an action framework on business and peacebuilding in a specific setting, including strategies to fund such efforts.

The target group for the retreat is a select group of representatives from companies, business associations, international organisations, non-governmental actors, academia, and government including stakeholders from the Global South. The key findings of the meeting will be brought to the attention of a broader audience during a panel on the action framework for business and peacebuilding during the 2012 Annual Meeting of the Geneva Peacebuilding Platform taking place the day after the retreat on 9 November 2012.

About this Brief and the authors

This Brief draws on the retreat "Safe communities, resilient systems: Towards a new action framework on business and peacebuilding" held at the Château de Bossey, Switzerland, from 25 to 27 March 2012. The retreat was jointly organized by the Friedrich-Ebert-Stiftung (FES) and the Geneva Peacebuilding Platform, in collaboration with the United Nations Peacebuilding Support Office (PBSO). All views expressed in this Brief are those of the authors and do not necessarily reflect the views of FES, PBSO or the Geneva Peacebuilding Platform. The authors of this Brief are:

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About the conveners

FES Geneva is one of about 100 offices worldwide of the Friedrich-Ebert-Stiftung (FES), a political foundation based in Berlin and Bonn, Germany. FES-Geneva is in contact with Geneva's International Organizations, focusing on developing countries as well as Dialogue on Globalization. The office is linked to the Berlin based FES-department for Global Policy and Development. FES-Geneva is particularly active in four areas of international Geneva: trade and development, social policy, human rights, and human security and disarmament. The office works closely together with non-state actors (NGO-activists, trade unionists, journalists, academicians and parliamentarians) and representatives of governments (including members of diplomatic missions). FES-Geneva organizes conferences, seminars, workshops and panel-discussions, training and information programs with international participation, and provides studies, consultancy reports, and other publications.

The United Nations Peacebuilding Support Office (PBSO) helps to sustain peace in conflict-affected countries by garnering international support for nationally owned and led peacebuilding efforts. The office assists and supports the Peacebuilding Commission, administers the Peacebuilding Fund, and supports the Secretary General's efforts to coordinate the UN System in its peacebuilding efforts. The PBSO was established in 2005 to assist and support the Peacebuilding Commission with strategic advice and policy guidance, administer the Peacebuilding Fund and to serve the Secretary-General in coordinating United Nations agencies in their peacebuilding efforts. The office comprises the Peacebuilding Commission Support Branch, the Policy, Planning and Application Branch and the Financing for Peacebuilding Branch.

The Geneva Peacebuilding Platform is an inter-agency network that connects the critical mass of peacebuilding actors, resources, and expertise in Geneva and worldwide. Founded in 2008, the Platform has a mandate to facilitate interaction on peacebuilding between different institutions and sectors, and to advance new knowledge and understanding of peacebuilding issues and contexts. It also plays a creative role in building bridges between International Geneva, the United Nations peacebuilding architecture in New York, and peacebuilding activities in the field. The Platform's network comprises more than 1,800 peacebuilding professionals and over 60 institutions working on peacebuilding directly or indirectly. As part of its 2012-2014 Programme, the Platform provides policy-relevant advice and services, ensures the continuous exchange of information through seminars, consultations, and conferences, and facilitates outcome-oriented peacebuilding dialogues in five focus areas.

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