



Post Conflict Reconstruction and Private Sector Development

Case Study

**GTZ Programme for Rehabilitation, Reconciliation and
Reintegration Activities in Sierra Leone (ReAct)**

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Abbreviations

CDC	Community Development Committee
CDF	Civilian Defence Force
IFC	International Finance Corporation
LDC	Least Developed Country
NPFL	National Patriotic Front of Liberia
PSD	Private Sector Development
ReAct	Programme for Rehabilitation, Reintegration and Reconciliation Activities
RUF	Revolutionary United Front
SLE	Seminar fuer Ländliche Entwicklung
TEC	Technical Education Centre
UNAMSIL	United Nations Mission in Sierra Leone
UNDP	United Nations Development Programme

1. Introduction

The GTZ Programme for Rehabilitation, Reintegration and Reconciliation Activities (ReAct) in Sierra Leone was based on an integrated multi-sectoral strategy. This case study examines the Private Sector Development (PSD) elements of the ReAct Programme. It was chosen to illustrate the challenges of promoting PSD in post-conflict least developed country (LDC) environments.

The case study is structured around a number of core questions. These include:

- What are the main components of the GTZ ReAct programme?
- What elements are specifically related to private sector development?
- How are main components and PSD elements systematically combined?
- How do least developed country conditions affect programme design choices?

The case study is based on a desk review of GTZ ReAct Programme documents and is supported by the evidence of a studies and reports produced by other organizations.¹ It is divided into four main sections. The first section provides the history and context of conflict in Sierra Leone. The second section focuses on the design of the GTZ ReAct Programme from the perspective of the core study questions. The third section derives lessons learnt. The final section summarizes these lessons.

¹ The author was also a member of a GTZ appraisal mission to Sierra Leone to assess prospects for reintegration during the brief outbreak of peace in 1997.

2. History and Context

A basic appreciation of the history and context of Sierra Leone is necessary to understand the choices which shaped the design of the ReAct Programme. Therefore, this section is divided into three parts. The first part explores various explanations for the root causes of the conflict. The second part offers a general outline of the Private Sector in Sierra Leone. The third part presents a brief socio-economic profile of the primary target groups for the ReAct Programme.

2.1 Root Causes of Conflict

Through images of child soldiers, mutilation, and an association with 'blood diamonds' Sierra Leone has been portrayed as the archetypical failed state in Africa. Between 1991 and 2002 state institutions had virtually collapsed. More than two million people were displaced within the country or refugees in neighbouring countries. Around 70,000 people are estimated to have been killed.² There are numerous and wide-ranging accounts for why and how Sierra Leone plunged into the abyss. Explanations often begin by emphasizing the following:

- a) **Seeds of inequality sown in a colonial past** – Sierra Leone was founded as a British colony for freed African slaves in 1789. The influx of freed immigrants introduced a political cleavage with existing residents.³ Ironically, slavery itself was not outlawed in Sierra Leone until 1929. At that time, nearly half of the rural population were slaves in certain chiefdoms along Liberian border region. The British continued to govern Sierra Leone through indirect rule until 1961. Indirect rule was supported by granting local chiefs rights to maintain customary order. Among these rights were powers to demand community labour and arbitrary control over marriage exchanges.⁴

- b) **Structure of social and economic institutions** – Labour, instead of land, is the input in shorter supply in the forest agrarian economy of Sierra Leone. As a result, wealth has been traditionally measured not only in material terms, but also in control over the supply of labour. This may be partly equated with the control over women and children. The institution of polygyny and the custom of substantial dowries or bride service payments favour local chiefs and other wealthy individuals to monopolise rural marriage markets. Similarly, infractions of marriage customs are typically met by hefty fines often commuted to farm labour obligations. Fines are imposed by the traditional court systems controlled by the local elite. Regular fining of

² Chege (2002)

³ Ibid

⁴ Richards(2005)

young cultivators and community labour demands for amenities which primarily benefit the local elite sustains the poverty on which the system is based.⁵

- c) Decline of the state** – The initial slide into authoritarian and predatory rule has been associated with the first opposition backed coup d'état in 1967/68. Over the next twenty-four years, the All Peoples' Congress Party of Siaka Stevens presided over a deliberate and systematic deinstitutionalisation of the state in Sierra Leone. The state slowly and effectively abandoned rural areas: teachers' salaries went unpaid, health clinics were without supplies, and rural roads became footpaths due to lack of maintenance.⁶ Rent-seeking became endemic. As a result, Sierra Leone has consistently ranked at the bottom of the UNDP Human Development Index since statistics began to be collected in 1990.
- d) Regional dimensions of conflict** - Charles Taylor of Liberia and Foday Sankoh of Sierra Leone both received training and assistance in Libya in 1987.⁷ Taylor subsequently led the National Patriotic Front of Liberia (NPFL) in toppling the government of Samuel Doe in 1989. With support from Taylor, Sankoh and the Revolutionary United Front (RUF) launched their first armed attack in Sierra Leone in March 1991. NPFL and the RUF both recruited uneducated and unemployed rural youths and used similar tactics in their quest for power, including forced induction and indiscriminate use of drugs and violence. Taylor's support for the RUF was essential for sustaining the conflict in Sierra Leone. In the end, RUF leadership agreed to disarm in 2001, after UN Security Council sanctions and interventions by the British and Guinean military cut off support from the Taylor regime in Liberia.⁸
- e) Lootable natural resources** – Sierra Leone possesses alluvial diamonds which can be mined through manual labour. Their link to causing and prolonging the conflict gave rise to the Kimberly process; an international regulatory framework which aims to end the trade in conflict diamonds. It is estimated that in the mid to late 1990s, between US\$300 million and US\$450 million in diamond revenues were taken out of Sierra Leone. Several parties benefited from this illicit trade. Chief among them was the RUF leadership.⁹ There is, however, little evidence that the majority of rank and file fighters were motivated by the promise of lootable natural resources.¹⁰

In summary, it is likely that several factors combined and contributed to the onset and duration of the war in Sierra Leone. While there may be some debate over which factors

⁵ Ibid

⁶ Fayemi(2004)

⁷ Abdullah (1998)

⁸ Humphreys and Richards (2005)

⁹ Grant and Taylor (2004)

¹⁰ Humphreys and Weinstein (2004)

were most significant, there is now a general consensus that re-establishing governance capacity, reviving the education system and promoting employment are key steps toward alleviating the conditions of absolute poverty which were constant throughout the period of violent conflict. Achieving all of these goals over the long-term will require significant improvements in conditions for private sector investment.

2.2 Profile of the Private Sector

Sierra Leone is one of the poorest countries in the world. Decades of decline in governance and the subsequent armed conflict have taken a similar toll on the private sector. The vast majority of people are engaged in subsistence agriculture and most economic activity occurs through the informal sector. Not surprisingly, data from the IFC Doing Business Database, (see Table 2.2) illustrates a number of significant challenges facing the private sector in Sierra Leone. Overall, Sierra Leone ranks in 136th place (out of 155) in the composite index measuring the ease of doing business.

Table 2.2 – Doing Business in Sierra Leone

Ease of...	Economy rank (out of 155)
Doing Business	136
Starting a Business	64
Dealing with Licenses	134
Hiring and Firing	151
Registering Property	139
Getting Credit	122
Protecting Investors	93
Paying Taxes	115
Trading Across Borders	85
Enforcing Contracts	121
Closing a Business	122

Source: <http://www.doingbusiness.org>

Sierra Leone, nonetheless, does have substantial mineral, agricultural, and fishery resources. Manufacturing consists mainly of the processing of raw materials and of light manufacturing for the domestic market. This includes beverages, textiles, cigarettes, and footwear. However, agriculture has always been the main occupation, absorbing about two-thirds of the working population, and has traditionally concentrated on rice production, groundnuts, cassava, sweet potatoes, oil palms and cattle.

The alluvial diamond mining industry provides a significant source of employment and is a main source of hard currency earnings. A recent USAID study estimates that between 300,000 and 400,000 people are currently engaged in both legal and illegal mining.¹¹ The study also conservatively estimates that the actual market value of production in 2002 was in the range of US\$320-400 million. It also notes, however, that most production is in the hands of small but powerful trading elite which deprives licensed miners and their diggers the opportunity to secure a fair return. The dominant players are reported to use proceeds to finance other enterprises (Construction contracting, cement, building materials, rice imports, etc.). On the other hand, the USAID report concludes that small-scale mining is a subsistence activity. Exploitive business and labour practices are reminiscent of the monopolistic aspects in the agriculture sector. The industry operates almost entirely on a cash basis and smuggling within and outside official channels is estimated to account for between 85-90% of annual production.

Illicit diamond trading has been systematically linked to the decline of the state in Sierra Leone. The pernicious effects, however, have long since spread beyond the sector. Corruption has become endemic – to the extent that citizens place considerably more faith in donors than government.¹² In this regard, Sierra Leone currently ranks 126th out of 158 countries in Transparency International Corruption Perceptions Index.¹³

In response, the Government program for sustainable economic growth includes three broad objectives. These are maintaining a stable macroeconomic environment; food security and job creation. Within these overall objectives, specific support for private sector development focuses on assistance for the agriculture value chain, rehabilitation of economic infrastructure, improving the legal framework, better access to credit, and the divestiture of public enterprises.¹⁴ In summary, the program attempts to address a very broad range of policy constraints to private sector investment.

Fulfilling the Government program for private sector development is a tall order under the circumstances. Decades of decline in governance and the duration of the conflict have understandably undermined investor confidence. Amending these losses and building for the future will take time. Among the principal and pressing constraints is developing a skilled labour force capable of moving beyond subsistence farming.

2.3 Profile of Ex-Combatants

The challenge of developing a skilled labour force in Sierra Leone is revealed in a recent extensive survey of ex-combatants.¹⁵ Within a wide range of information, the survey provides

¹¹ USAID(2003)

¹² Humphreys and Weinstein (2004)

¹³ http://www.transparency.org/policy_and_research/surveys_indices/cpi/2005

¹⁴ World Bank (2004), Fourth Economic Rehabilitation and Recovery Grant, Program Document, Report No. 31386-SL, Washington, D.C.

¹⁵ Humphreys and Weinstein (2004)

a clear profile of economic status, previous occupation and levels of education prior to becoming embroiled in the conflict. This information is particularly salient for the design of the skills training component of the ReAct programme discussed in Section 3. Key points that may be drawn from the survey include:

- a) Most combatants were between 20 and 30 years old when they registered for demobilization programmes;
- b) More than 30% of the combatants had *never* attended school prior to the conflict
- c) Most combatants came from poor rural backgrounds and were living in mud homes when the conflict began.
- d) More than 40% of RUF combatants described themselves as students prior to the conflict.
- e) Close to 40% of the Civilian Defence Force (CDF) combatants described themselves as farmers prior to the conflict.

Approximately 75,000 combatants were registered in the demobilization process. The vast majority were uneducated and poor. Many had left school before the conflict started either because they could not pay the fees or because schools had closed down. Throughout the conflict and upon demobilization, the interests of most combatants remained focused on basic needs - access to security, food, and education - and not on the political agenda or on control of lucrative resources.

3. Design of the ReAct Programme

The ReAct programme initiated rehabilitation, reintegration and reconciliation activities under extreme circumstances. This section describes the design of the ReAct programme and the systematic combination of PSD elements within the main components.

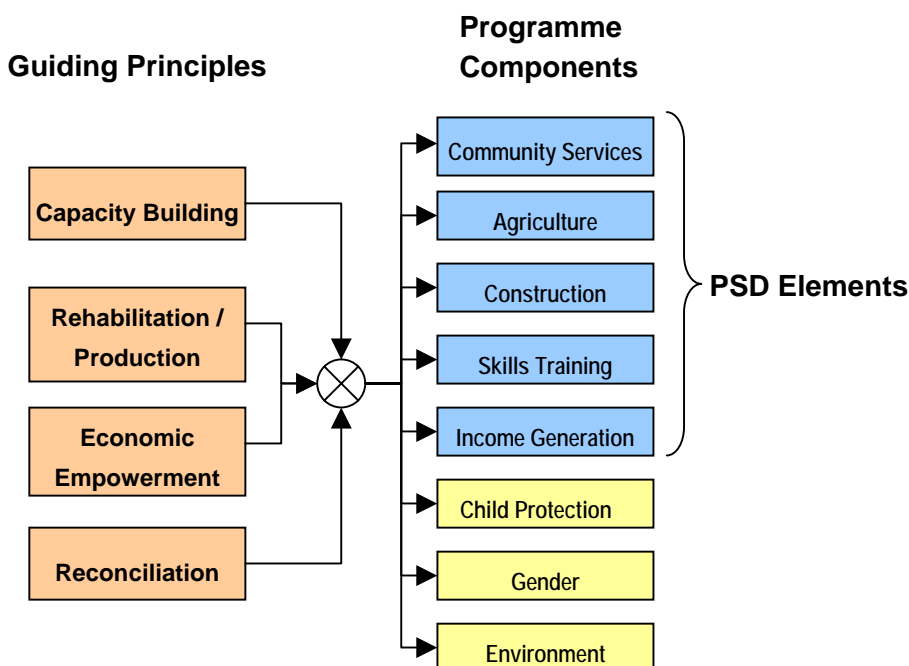
3.1 Main Components

The objective of the ReAct Programme has been to contribute to the sustainable social and economic reintegration of war-affected rural communities. It has emphasised crisis prevention through the incorporation of **four basic principles** into all programme interventions:

- a) Capacity Building - Transfer of technical and managerial skills
- b) Production and Rehabilitation - Social and economic infrastructure, furniture, agricultural production, etc.
- c) Economic empowerment - Micro-enterprise formation and training, income generation
- d) Reconciliation – Inclusion of marginalised groups and vulnerable individuals, civic education, de-traumatisation, cultural and sporting events, etc.

These binding principles and the nine components of the ReAct Programme are illustrated in Figure 3.1 below.

Figure 3.1 – ReAct Principles and Components



Source: GTZ (2002)

3.2 Components with Significant PSD Elements

Figure 3.1 also indicates the Programme Components which have significant PSD Elements. These include: a) Community Services; b) Agriculture; c) Construction; d) Skills Development; and e) Income Generation. They are described as follows:

- a) **Community Services:** The primary function of the Community Services component was to ensure full participation of the community in the various project activities and, more particularly, establish priorities in the rehabilitation of community infrastructure. Community Development Committees (CDC) were trained in participatory methods and became local counterpart institutions. A Memorandum of Understanding was signed with each community; specifying the rights and obligations of both the community and the Project. The Community Services Component provided assessments of community potential and the vulnerability of various sub-groups, identified potential training courses and candidates and helped appraise the viability of possible Income Generation activities. As such, it became the *coordinating arm* of the entire ReAct Programme.

- b) **Agriculture:** The primary purpose of the Agriculture Component was to enhance food security and rural farm incomes. The distribution of seeds and tools was accompanied by technical assistance from large teams of agricultural extension workers. A significant presence of committed extension workers was necessary to ensure the transparent and equitable distribution of agricultural inputs. They also enabled a large number of individual farmers and farming associations to benefit from training in improved agricultural practices for vegetable gardening and the development of inland-valley rice swamps. The Agriculture Component provided benefits to the largest number of Programme beneficiaries and assisted in the identification of critical supply chain and marketing constraints.

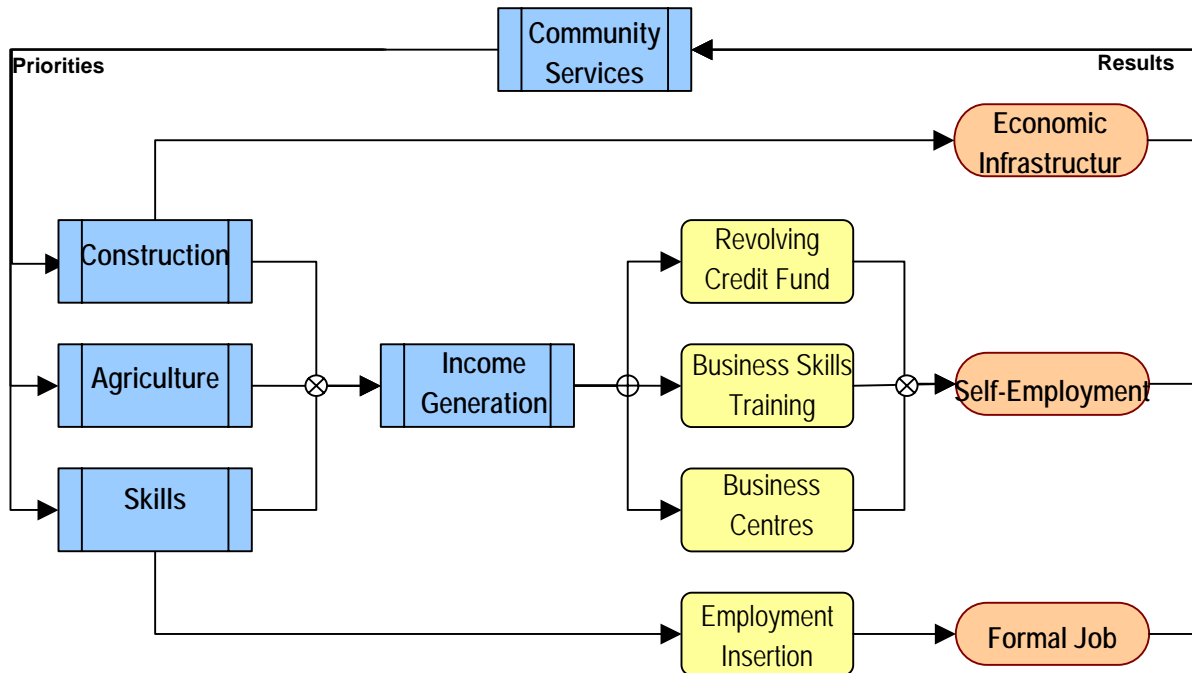
- c) **Construction:** The rehabilitation of feeder roads and the construction of a community store were the first interventions undertaken in each community. Feeder roads improved access to markets. The community store accommodated construction and agricultural tool banks. These initiatives were often followed by the school and/or health unit construction. Community participation was required in construction activities. No individual remuneration was provided. Instead, volunteers received technical tools, household items, or shelter construction materials. The Construction Component upgraded skills and empowered micro-enterprise formation. Most often this resulted in the establishment of small carpentry and other construction-related micro enterprises. Appropriate technologies were introduced for micro-enterprise production of roofing tiles and consolidated earth-bricks. The Construction Component also absorbed a significant number of trainees from the various technical education centres through an apprenticeship scheme.

- d) Skills Training:** The Skills Training component of ReAct did not pretend to create long-term institutions, but rather played an immediate role in attempting to fill the tremendous gap of skilled labour in rural Sierra Leone. Technical Education Centres (TEC) were established in the main towns for one single cycle of nine months. The courses offered were directly linked to the rehabilitation and production demands of the local communities. These generally included: masonry, carpentry, metalworking and agriculture. Additional short-duration courses were also offered in soap-making, bakery and hair-dressing to increase the number of female participants. These courses did not only impart the theory of the various trades, but also involved the placement of trainees in activities linked to the Construction and Agriculture Components. The Training Component targeted ex-combatants and civilians on an equal basis through constant interfacing with the community through the Community Services component. Since most of the rural youths and ex-combatants had low or no academic background, the training curriculum also included basic literacy and numeracy classes, coupled with civic education, and trauma counselling. Upon the completion of training, all graduates received “start-up kits” and additional support through various instruments within the Income Generation component.
- e) Income Generation:** The guiding principle of economic empowerment ensured the integration of Income Generation activities within all main programme components. The mandate of the Income Generation component, however, began only after other main components had initiated activities. The approach to Income Generation comprised four instruments: i) micro-credit revolving fund, ii) business skills training, iii) small business resource centres, and iv) employment insertion services. The micro-credit revolving funds were managed entirely by the CDCs and the majority of loans were directed toward producer groups for groundnut and rice cultivation. Business skills training were aimed primarily at vocational training graduates, but were also available to other potential micro-entrepreneurs within the community. Business Resource Centres provided information regarding markets and trends and served as a focal point for introducing new production skills and technologies for micro-enterprises. Employment insertion services were designed to assist vocational skills graduates in finding formal employment.

3.3 Systematic Combination of PSD Components and Elements

The ReAct programme has had three main outcomes for PSD in Sierra Leone. It has added to the stock of local economic infrastructure in rural areas, facilitated self-employment through micro-enterprise development, and increased the supply of skilled labour for formal sector businesses. Figure 3.3 illustrates the systematic combination of the five Programme components with significant PSD elements (blue boxes), four primary instruments for PSD (yellow rounded-boxes), and three private sector outcomes (tan oblongs).

Figure 3.3 – ReAct PSD Components and Elements



The Community Services component can be considered as the central command structure and hence the main communications interface between the programme and the community. From here, community priorities and the results of previous interventions shaped the content of the four other main components with PSD elements.

In relation to the sequencing of components, as mentioned above, agriculture, construction and skills training components preceded the income generation component. This choice of sequencing was in response to the extreme levels of destruction and poverty encountered by the programme in rural areas at the outset of the programme. Under these circumstances, re-establishing essential conditions for sustainable livelihoods was a primary concern. The choice of instruments under the Income Generation component was also affected by the severe conditions in rural areas; the large size and limited qualification of target groups; and, pressure to deliver immediate socio-economic benefits for individuals and receiving communities.

4. Key Lessons

It is a dangerous fallacy to expect that the end of conflict automatically results in a peace dividend that will unleash private sector growth leading to poverty reduction in an LDC environment. This is particularly relevant in the case of Sierra Leone. Many, if not most, of the root causes of conflict still remain to be addressed.

From a macro perspective, the ReAct Programme encountered an extremely fragile and weak investment climate. With memories of several previously failed peace initiatives, the private sector faced significant concerns over security and stability that could only be partially offset by the presence of a large external peacekeeping presence. Beyond the overriding question of what would happen when UNAMSIL departed, private sector development was also severely constrained by extreme deficiencies in basic economic infrastructure, near absence of functioning financial systems, weak rule of law and property rights enforcement, and a poorly educated and unskilled labour market. Against this bleak background, the ReAct programme was tasked with reconstruction, rehabilitation and reintegration of demobilized combatants in devastated rural communities.

Key lessons, with regard to PSD under post-conflict LDC conditions, that may be learned from the ReAct programme include:

- a) **Reconstruction of Local Infrastructure:** The ReAct programme interventions were directed toward impoverished and divided rural villages. Programme activities and resources were subject to Memorandums of Understanding signed with Community Development Committees. The CDC, however, in some cases tended to be dominated by local elites. This prompted complaints of collusion and inequity from the bulk of the rural poor.¹⁶ Under these circumstances, it is clear that PSD under conditions of deep social cleavages should at least initially focus on employment promotion through broadly-supported economic infrastructure reconstruction. Thus, conflict sensitive approaches to PSD in LDC environments may not include specific enterprise-level interventions which might be seen as favouring one group over another. It further illustrates, that the formation of local committees alone are insufficient to guarantee conflict-sensitive interventions. *They must be supplemented by procedures, such as independent surveys and community reporting and accountability mechanisms, which confirm widespread support for programme interventions.*

- b) **Skills Training:** Around 76,000 ex-combatants were registered for demobilization. Over 80% of those registered participated in vocational or skills training programmes. Several donor-supported programmes, involving a variety of approaches were designed to meet this extensive demand. A survey of more than 1000 participants of

¹⁶ Richards, P., K. Bah and J. Vincent (2004)

these programmes indicated relatively successful results by international standards.¹⁷ The survey found that

- 42% of graduates found jobs. (half self-employed, half formal)
- An additional 33% could be considered underemployed as artisans or farmers.
- Nearly 75% believed that their job was directly related to the skills they received in training.
- Over 90% of graduates believed that the skills they learned would be useful in the future.
- The most common complaints were delays in the delivery of allowances and toolboxes and lack of support for finding or creating jobs.

*The survey results confirm the utility of the integrated design of the ReAct Programme. With less than one-quarter of participants finding formal sector employment, there was clearly a need for agriculture and income generating activities to support the majority of the main target group. This also provides clear direction for the design of PSD elements under post-conflict LDC conditions. A destroyed agrarian economy is unlikely to provide sufficient formal sector employment opportunities to absorb the bulk of ex-combatants and returnees. As a result, self-employment and sustainable livelihood strategies should be supported through a *continuum of activities and instruments* to assist transition in LDC environments. In this regard, more sustainable micro-enterprise formation can be assisted through access to credit and business development services.*

- c) **Credit and Business Development Services:** The scope and scale of conflict had a significant bearing on the design of the ReAct programme instruments for credit and business development services. Improving access to credit has the potential to quickly and effectively satisfy urgent self-help demands of a broad target group. However, building sustainable credit institutions requires research on viable credit products, development of internal systems and procedures, and not least, qualified and professional staff. Similarly, design choices for improving access to business development services can be influenced by the target group volumes. This implies potential trade-offs between the quantity and quality of services. Meeting these pressing requirements with limited resources in an LDC environment led the ReAct Programme to establish *temporary revolving funds and mass training approaches for business development services*.
- d) **Short and Long-term PSD Initiatives –** It is clear that the ReAct Programme was designed to assist economic and social reintegration in the immediate post-conflict

¹⁷ Humphreys and Weinstein (2004)

period in Sierra Leone. Programme components comprised a continuum of services which enabled the relatively rapid reestablishment of economic networks within rural communities during a critical period. At the same time, however as noted above, many if not most of the previously mentioned root causes of conflict and structural impediments to PSD were not included in the mandate of the ReAct programme. It was primarily tasked with the immediate challenge of rebuilding rural communities, not with rewriting the social and economic rules of society to enable broader cycles of development.

Meeting the immediate basic needs of two million people displaced by conflict and the demands of tens of thousands ex-combatants is a daunting task unto itself. Changing the social and economic rules of society is a similarly vast, but largely separate undertaking. On balance, it seems best to maintain this dichotomy with the proviso that immediate interventions adhere as closely as possible to the principle of 'do no harm'.¹⁸

Creating a favourable investment climate and effecting structural changes for broad-based private sector development requires challenging the vested interests of local governance structures. In Sierra Leone this includes chiefdom institutions and government bureaucracies. At the same time, these structures are often key counterparts for reconstruction activities. Challenges to relinquish power can affect levels of cooperation, lead to difficult relationships, and result in delays in implementation.

Recognizing the inherent tension during reconstruction and acknowledging that structural changes are most likely to emanate from the centre to the periphery argues strongly in favour of *separating the implementation of short and long-term initiatives to promote private sector development*. This, however, does not imply that long-term initiatives such as introducing greater competition, reforming labour practices, or freeing businesses of bureaucratic burdens can take place only after short-term employment and training objectives have been achieved. Addressing long-term PSD constraints is equally important and pressing during post-conflict periods to avoid eventual relapses into violence.

- e) **Programme Management** – The ReAct programme was appropriately based on a multi-sector strategy. Despite the benefits of increased coordination, this strategy also implies additional *management* challenges that should also be recognized because of their impact on programme results. In this regard, the SLE of the University of Humboldt undertook a review of the ReAct programme in 2001. It drew attention to special post-conflict conditions that need to be better reflected in the design of programme organization and staffing arrangements.¹⁹

¹⁸ Andersen (1999).

¹⁹ SLE (2001)

Programme administration is not immune to the prevailing currents of corruption and the weak rule of law that contributed to the onset of conflict. Yet, ensuring transparent and accountable programme administration is essential for developing trust within the local communities where the programme is delivered. Furthermore, difficult and sometimes dangerous conditions do not generally attract experienced international staff. Similarly, qualified national staff is generally unwilling to relocate to rural areas. As a result, these extremely challenging assignments often fall to relatively inexperienced professionals. Finally, dealing with traumatised individuals and communities in a fluid environment take an increasingly greater psychological toll on staff over time. These factors place a significant additional burden on programme administration in a post-conflict LDC environment. They justify a careful review of the package of benefits offered to attract qualified staff and point to the need for higher staff complements with smaller task assignments that what might normally be expected. Simply put, programme management in a post-conflict LDC environment is not 'business as usual'.

5. Summary

Between 1991 and 2002 state institutions in Sierra Leone had virtually collapsed. More than two million people were displaced within the country or were refugees in neighbouring countries. Around 70,000 people are estimated to have been killed. Several factors combined and contributed to the onset and duration of the war. These include inequities established in a colonial past, the current structure of social and economic institutions, the protracted decline of the state, regional dimensions, and the existence of lootable natural resources.

The ReAct Programme was based on an integrated multi-sectoral strategy. This case study examined the Private Sector Development elements of the programme to illustrate the challenges of promoting PSD in post-conflict LDC environments. The programme components with significant PSD Elements included: a) Community Services; b) Agriculture; c) Construction; d) Skills Development; and e) Income Generation. Key lessons learned include:

- The formation of local committees alone is insufficient to guarantee conflict-sensitive choices in infrastructure reconstruction. They must be supplemented by procedures, such as independent surveys and community reporting and accountability mechanisms, which confirm widespread support for programme interventions.
- The formal sector is unlikely to provide sufficient employment opportunities in the immediate post-conflict period. Therefore, integrated multi-sectoral programmes which provide a continuum of services is likely to be required in an LDC environment. Basic skills training for uneducated target groups provide the foundation upon which other PSD instruments may be systematically combined.
- The scope and scale of conflict may imply trade-offs between the quantity and quality of financial and non-financial business development services. The factors of urgency and volume in Sierra Leone dictated the choice of temporary revolving funds and mass training approaches for business development services.
- Responsibilities for implementing short-term and long-term initiatives to promote PSD in post-conflict LDC environments should be separate. This is based on the inherent tension of local relationships during reconstruction and acknowledges that structural changes for PSD are most likely to emanate from central government policy changes and not necessarily from the rural areas.
- Programme management and administration in a post-conflict LDC environment is not 'business as usual'. Corruption may be rampant and it is difficult to attract qualified international and national staff to rural assignments. These factors justify a careful review of the package of benefits offered to attract qualified staff and point to the need for higher staff complements with smaller task assignments.

This case study has illustrated that in the post-conflict LDC environment of Sierra Leone there is not one but many complex problems to address. Government had virtually collapsed and the overall conditions for PSD were extremely weak. The vast majority of the population was poor and uneducated. Under these circumstances, PSD in rural areas requires an integrated solution with skills training as the foundation supported by a systematic combination of rapidly implementable instruments. Long-term structural changes to promote PSD are equally important, but should be promoted through a separate process.

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