

**microLINKS SPEAKER’S CORNER 4:**

**Microenterprise in Post-Conflict Environments**

The fourth Speaker's Corner event, which ran from February 16-18th, 2005, explored how business development services, especially business skills training programs, can address the special needs of microenterprises in post-conflict settings. Tim Nourse, of the American Refugee Committee, and Shoshana Hecker, of Making Cents, hosted the e-conference, answering questions on the role and challenges of offering business development services singly or in combination with microfinance and other services in regions recently affected by conflict. The discussion used the February Business Skills Training Note from the Field and the recent SEEP network discussion on BDS and conflict as jumping off points.

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## "Day One: Event Welcome"

2-16-2005

*Tim Nourse*

We're glad you can join us for this three day discussion on the provision of business development services (BDS) in conflict and post-conflict environments.

As you are aware, in recent times the number and length of conflicts in the developing world has increased dramatically, with over 50 countries experiencing long-term conflict since 1980. While already important in most developing countries, disruptions in the agricultural and industrial sectors mean that microenterprises take on an even more central role in providing income for the poor during and after conflict. In this situation, enterprise development services - training, market links, and improved technology - have great potential to assist conflict affected populations secure incomes and rebuild assets. Unfortunately, to date there has been limited information sharing on BDS programs in conflict environments. This Speaker's Corner aims to advance overall learning in this area and in particular focus on the role of business training and approaches to sequencing/linking BDS to other services.

Each of the three days will have a particular discussion focus. On day one, we will look in general at the needs of microentrepreneurs in post-conflict and discuss how programs have responded to them. On day two, we will turn to the role of business training in post-conflict environments, identifying the needs that business training can meet and the particular challenges related to its provision. On day three, we will examine how business development services can be sequenced and/or linked, discussing if there should be a progression in the complexity and sustainability of services, and if services can be effectively linked to other relief or development (e.g. microfinance) services.

As a resource for this discussion, we urge participants to review the two documents posted on the Speaker's Corner website. The Small Enterprise Education and Promotion Network (SEEP) hosted a one month on-line discussion on BDS and conflict in 2004.

This discussion provided an initial step in identifying challenges and successful examples of BDS in conflict environments. We hope that this Speaker's Corner can move the discussion along further, using these documents as a starting point.

With out further ado, we would like to begin today's discussion with a series of general questions:

What are the challenges facing entrepreneurs in conflict and post-conflict environments?

How can business development focused microenterprise programs (not microfinance) respond?

What are some examples of BDS programs in post-conflict and why were (weren't) they successful?

We look forward to your input!

Best regards,

Tim

*02-16-2005*

*Katie Cook*

Hi Tim,

I spent a summer in Guatemala a few years back, shortly after the government and the guerillas signed a peace agreement there. I saw many women and children selling their wares in the streets to tourists; my hostfather there sold candy to local stores. I imagine that if the civil conflict had not taken place in Guatemala, microentrepreneurs would have had better access to domestic and international markets, as well as more training opportunities. I also imagine that, depending on their political affiliation, many microenterprise owners still feared retribution by factions who are not in support of the peace agreement.

What has been your experience in Sierra Leone, Liberia and Guinea? What are their challenges in working in post-conflict environments? What have you done to mitigate this?

Thank you,

Katie Cook

*02-16-2005*

*Tim Nourse*

Katie,

Hi. I agree that one effect of conflict is the fragmentation of markets - due to insecurity or forced flight, entrepreneurs links to markets outside their

immediate locale are broken, so they end up selling in a smaller market and at lower profit margins. In Sierra Leone, this effect is particularly pronounced in the agricultural sector, where farmers, input suppliers and wholesale buyers have become cut off from each other. ARC, in conjunction with CARE, World Vision, CRS and Search for Common Ground, is currently trying to respond to this challenge with a program that provides financial services, technological solutions and information to key actors in the agricultural value chain. The goal of these activities is to increase production at the grassroots level and facilitate linkages between actors at the local, regional and national level. The program is just beginning, so there are no lessons learned as of yet. However, I think the approach - analysing key agricultural product value chains and then responding with a combination of financial and non-financial services, each managed independently and where possible, sustainably, should provide an effective response to conflict induced market fragmentation. I'm curious - do others have examples of programs that have responded to market fragmentation?

Concerning political affiliation and retribution, our programs, whether grant, loan or training, do try to target a cross section of those involved, to make sure that any continuing political sensitivities are not exacerbated by the programs we implement. We haven't however tried to tackle these problems head on. Do others have examples of programs that have?

Cheers,

Tim

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## **"Post-conflict versus post-disaster?"**

*02-16-2005*

*Ernest Parker*

I'd like to ask a question, but I'm afraid that it's not about post-conflict but instead post-disaster entrepreneurialism. I'm sure that because of the recent tsunami, this topic is fresh in many peoples' minds. Apologies if you feel that this is dragging the thread away from what you had intended.

I guess my first question would be, are there similarities between post-conflict and post-disaster, with regards to the effect on entrepreneurs and microenterprises? It's not hard to

imagine some similarities -- lack of stability and security, ruined infrastructure creating difficulties (and also, in a sad way, opportunities) ...

Secondly, I recently saw a headline that one nation hit by the tsunami was using the opportunity to push through a broad development plan for one leveled region. I suppose the connection to your question about the post-conflict challenges facing entrepreneurs is: is it possible that the relative "blank slate" that can sometimes be left after a conflict -- a sense of a fixed critical juncture in time, a "new page," and perhaps, hopefully, a moment of added attention from international agencies -- could serve as a small amount of additional opportunity for good BDS programs to get traction, since the moment in time could be seen to lack the inertia and political sluggishness that might characterize the more normal state of affairs?

It may seem odd to try to wring positive effects out of conflict and disaster. But the negative effects are so obvious and clear, one might as well look for some "blessings in disguise."

02-16-2005  
*Shoshana Hecker*

Hello Ernest,

Thank you for sharing some of your thoughts on the similarities between the impacts of post-conflict and post-disaster. I'd have to agree that natural disasters often bring about many of the same difficulties facing nations and their people post-conflict (damaged infrastructure, security concerns, and often times corruption). Therefore the impact of both of these situations on microentrepreneurs may be similar. However, it is important to recognize that conflict situations may also bring additional difficulties such as more acute political unrest and often times continued political and economic uncertainty. But, yes, relief and development programs can and should share their learning from these incidents which often have similar affects on the people.

You probably are correct in your belief that post-disaster/conflict situations bring about new and often needed international attention to affected countries or regions. This momentum can have great impact on getting focus placed in areas previously forgotten. But while this "blank-slate" may lead to new opportunities and focus, it is nonetheless devastating and often destroys years of "development." I guess it comes down to, as you say, looking for that "blessing in disguise" or "silver lining."

I would love to hear from other people who have had the opportunity to implement projects in both post-conflict and post-disaster situations. What lessons can be shared?

Shoshana Hecker

*02-17-2005*

*Tony Pryor*

On the differences and similarities between post-conflict and disasters, it's an interesting question (and one we can also pick up in more detail in April, when the Speaker's Corner will focus on microenterprise post-disasters).

In a sense, conflict is in itself a type of disaster, but with one major difference I would guess: conflicts often reflect deep-seated ethnic, economic or cultural rifts; while disasters may exacerbate pre-existing tensions, conflict often is the harsh expression of such tensions.

I'd be fascinated to know, for instance, what's happened in the Congo/Rwanda/Burundi region in terms of micro-enterprise; when I was there in the mid-80s, certain ethnic groups were the primary traders and micro-business people. I would assume that not only have market chains been disrupted, but the level of hatred and distrust, even post-conflict, may make it difficult to return to pre-conflict market relationships.

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## **"Day Two: The role of business skills training?"**

*02-16-2005*

*Shoshana Hecker*

Hello and welcome to day two of the Speaker's Corner on Microenterprise in Post-Conflict Environments. I want to thank everyone who visited and took part in day one of our discussion on the general role of BDS in conflict and post-conflict environments. We

had some interesting discussion on the importance of conducting market assessments in post-conflict environments in order to focus on and provide the most appropriate services to your target audience. We also had the opportunity to discuss how conflict often leads to the fragmentation of markets. Finally, we broached the idea that post-conflict environments often closely resemble those of post-disaster situations, for example the recent tsunami. We encourage everyone to continue to share thoughts and experience on these topics as we as today's topic...

Today's discussion focuses on the role of business skills training in post-conflict environments.

As a reference for today's discussion, we participants can review the current "Notes from the Field: West Africa" in which Tim and I shared some of our experiences incorporating business skills training activities in Sierra Leone, Guinea and Liberia. We also invite you to use this forum to share your experiences and thoughts on the use of training programs in these and other conflict and post-conflict environments.

We would like to begin today's discussion with several of general questions:

- What is the role of business skills training in conflict and post-conflict environments? And how does it relate to longer-term microenterprise development?
- What needs does it serve and what are the challenges of providing appropriate training in post-conflict environments?
- How can training be made more relevant to people in conflict and post-conflict environments?

We look forward to hearing from you,

Best regards,

Shoshana Hecker

*02-17-2005*

*Mary Morgan*

I don't know about the Congo/Rwanda/Burundi region regarding microfinance and BDS right now and activities between ethnic groups, but my experience in Bosnia where there was intense hatred between three groups we found that market linking actually worked to contribute towards reconciliation. We did a market linking program and were facilitating up to DM250,000 a month, which was about USD125,000 in sales between micro and small and medium enterprises. Cross ethnic line trading and business started to occur.

People wanted to be "normal" as they said, which meant to associate with each other like it was before the wars in Yugoslavia. That being said, there was still tremendous fear and trepidation. It was hard for instance for staff to cross ethnic lines on their own to do the work. One Serb staff woman went to a Muslim town and went in to a business to promote the market linking project, and the owner essentially sexually harassed her. And one fellow who was a Serb used to say he was going to the Muslim towns but never did because he was too afraid. As a manager these were issues that were part of the work, so it was best to send them in pairs.

Regarding the question posed about training in post conflict. I found that in Guatemala when I worked with Mayans who had survived the massacres and returned home, they were very keen on learning business skills. This was in '98 which was 2 years after the peace accord was signed. Using participatory techniques like theatre and stories and drawings, the participants in various communities were able to describe what the economic activities were before, what they are now and what they want them to be. Community mapping was also a very successful tool to identify what existed and then we'd deconstruct what they get from town and can they produce something that town needs. This population was semi literate and also spoke in their own dialect so all training was translated from Spanish to dialect to Spanish. They were able to identify conduct participatory market research and identify viable businesses.

In Bosnia training of staff was a big emphasis because they did not have experience with a market economy. Deconstructing economic terms and using stories was very helpful. And in fact, one of the people I worked with is teaching economics at the university and is using stories at the university to teach economic concepts today. The work I did in Guatemala I essentially took to Bosnia and adapted stories to the context and it works very well to introduce ideas like capital costs, operational costs, profit, marketing, sales, etc.

Mary E. Morgan

*02-17-2005*  
*Shoshana Hecker*

Mary,

Thank you for your comments on the business training programs in Guatemala and Bosnia (included as part of the thread on "RE: post conflict, post disaster "blessings in disguise"?")

I agree with you wholeheartedly that the use of participatory, interactive learning techniques is a useful method for providing business skills training to people affected by conflict. As many of the people most devastated by conflict are those with limited resources it is important for training programs to be designed with the target audience in mind. As Tim mentioned, in West Africa, ARC and Making Cents have collaborated to incorporate an highly interactive and flexible curriculum. The idea is that by adapting the curricula to the local context, participants are able to immediately relate learning to their own lives and businesses. Feedback from participants is extremely positive as this experiential learning methodology encourages participants to take an active role in their learning, while also ensuring that learning is not easily forgotten.

What have been some of the other impacts of business skills training programs?

*02-17-2005*

*Tim Nourse*

Mary,

Hi. I agree that promoting business within a region/area can naturally contribute to ethnic reconciliation. However, I would argue that it should not be forced, since programs which had reconciliation as an overt goal pushed relationships that sometimes made little economic sense and which later failed, in cases even exacerbating tension.

Instead, I would recommend that programs be designed that take the existing economic structures in place and try to use the "blessing in disguise" of conflict to restore the economy, while making it more equitable between ethnicities. For example, in Liberia, refugees from predominately one ethnic group, the one that used to dominate business, are returning to an area that we're working in. Although our MED funding from UNHCR is focused on the returning ethnic group, we're trying to include as many residents from the other ethnic group as possible in the program so that they can also begin businesses and prevent the economic domination by the first group that contributed to the conflict in the beginning.

Concerning your comments about training (the topic for today), I like how you incorporated stories and deconstructed economic terms so that they would be more easily digested by your target population. In West Africa, ARC and Making Cents has had some success because we've highlighted the most interactive part of their curriculum and tried to focus on explaining economic terms through very simple activities - for example, conveying the concept of adding value by asking each person to take a bucket and add features which make it more valuable. We've found that these adaptations are essential to reach conflict

affected populations who's education has been halted/interrupted. Have others out there had similar experiences?

Cheers,

Tim

*02-17-2005*

*Mary Morgan*

Your experience also is that of mine in Bosnia. There was huge learning with donor communities about how to target. Initially DPs and returnees were the focus and then the people who had stayed became very hostile towards the people having access to programs. Good for ARC in attempting to make outreach to all ethnic groups in Liberia. It's unfortunate that the UNHCR hasn't learned the lesson from Bosnia and other areas that it can be problematic to focus on just one ethnic group for programming.

Mary E. Morgan

*02-18-2005*

*Ekanath Khatiwada*

Hello

Regarding the BDS services working around conflict, What could be the fee for the service mechanism (Embedded services, Direct fee for the services or subsidies services) and it is my query that who pays for the services and how -- Mechanism? Therefore... creating business environment, is a necessary part and employment generating opportunities for conflict-affected people is a key component for BDS.

Ekanath

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## "IDPs and economic development"

02-15-2005

*Ekanath Khatiwada*

How can the conflict affected community participate in economic development activities? Are there special mechanisms / package programmes designed for these special activities? How to build confidence of conflict affected communities? There are many Internally displaced peoples (IDPs) in conflict regions. They generally do not have their property and assets so it will be a hard time for them to participate in income generation activities in the initial period. We have to think employment aspects as well or we have to create the business environment first to bring the people into the microenterprise environment.

02-16-2005

*Mary Morgan*

In Bosnia when I was the Socio-Economic Development Sector Coordinator for CARE back in 1999 we looked at starting up businesses with seed capital. We called it economic livelihood grants in the proposal but when we implemented we looked at it as seed capital. The clients were DPs and/or returnees. We did this project in collaboration with the reconstruction sector. So when people were returning back to their villages and had nothing in the way of assets, fixed or liquid, and they had a skill or an idea, we worked with them to put together an investment plan and then provided the capital for them to get started. There was also microfinance so they could then go for a loan after the business got going if they needed more capital.

When people returned to villages that had been cleansed, lots of NGOs gave out cows. We then did a subsector analysis in the rural communities and identified several subsectors to work with. Often it was market access which was the problem with no transport and a saturated market with potatoes, cabbages or milk. We were able to identify several market links

and went back to the communities and presented some options for markets which were factories in many cases looking for suppliers. But the factories wanted to work with associations and not just with individual farmers. When this was presented back to the communities, they then organized in to associations and we facilitated sessions on how to democratically set up an organization. When they had been registered as an association they went back to the factories and were able to sell their products by organizing collection points and the factories then picked up the produce and paid the farmers for the produce. This was very successful.

We also had an economic component for returnees in a psycho-social project. As the families were returning they did some trauma healing sessions for a few months and then there was some conflict resolution work with groups from different ethnic groups. To strengthen the reconciliation component and conflict resolution component we then facilitated participatory sessions where women from multi ethnic groups identified a viable economic activity. We then provided some seed capital for the two groups to operate an economic activity together. This contributed towards community development in a post war situation.

I had the managers write up the projects in a format that could be passed on to others. They each wrote up how to do an assessment for the particular project, how to develop the infrastructure for the program (teaching materials, forms, etc.), implementation, monitoring and evaluation and lessons learned. Ekanath, if you would like a copy of these then get in touch with me.

Sincerely

Mary E. Morgan

*02-16-2005*  
*Ekanath Khatiwada*

Thanks for responding and sharing the information. It is really critical to work in conflict environments. I would like to get more information on this. How do you think to make inventory of target population/ those really affected by the conflict? For your information, When I was working with UNDP on specials programme for the ultra poor who are excluded by the other programme, I did inventory and did poverty analysis. We

did design special business awareness package including causes of poverty. Then we separated the interest groups / functional groups for intensive training and business planning / skill training. There was a provision of soft loan/credit capital as well. We have developed a safety net package such as community based insurance and investment package. We applied all the measures to mainstream the ultra poor people but we realized the short term intervention is not effective -- long term commitment is required as well as follow up if key to success. And integration of marketing component is also important. How do you suggest to implement such type of programme in conflict areas?

Regards  
Ekanath Khatiwada

*02-16-2005*  
*Tim Nourse*

Dear Ekanath,

Greetings. Thanks for bringing up some interesting points. In response:

To begin, I'd like to highlight the importance in the market assessment (inventory) that you and Mary mention. Unfortunately, this is an activity that is too often ignored by relief organizations, leading them to provide services that are too broadly targeted or which provide insufficient services to actually help the targeted population develop sustainable businesses.

For targeting - In the market assessments that ARC is doing, we've learned that conflict-affected populations can sometimes be grouped into three categories - those that have the capability to manage development focused activities immediately, those that are "situationally vulnerable" - i.e. would normally have the capacity to manage development focused activities, but due to the conflict have lost their assets and thus need more relief focused activities on a temporary basis to help them restart their enterprises, and the "extremely vulnerable" (elderly, traumatized - ultra poor in development terms), who can not manage development focused activities and need extended relief type activities. Once grouped, we can provide appropriate services to each population - sustainable microfinance or business training to the highest category, subsidized training and capital grants turning into development programming for the situationally vulnerable and relief/subsidized programs for the extremely vulnerable. While defining these groupings is difficult, we've found that participatory needs assessment tools are effective.

Best,  
Tim

02-17-2005  
Mary Morgan

Hi Ekanath:

In the case of Bosnia, we were able to target with the help of the reconstruction sector. The BDS project was part of a housing reconstruction project. It was realized that when people returned to their homes, they needed to have work, and this was stopping people from returning. So it was added in to the project as an incentive for people to return home, therefore the clients were returnees. Economic projects, whether microfinance or BDS, usually come a bit after the relief work has begun. Economic projects in Bosnia really started up 1-2 years after the peace accord had been signed and the fighting had stopped. Initially it is clean up and relief and getting people what they need to survive.

I think that successful economic projects in a post conflict situation, have a better chance at being successful if they are an added component to social protection and civil society projects. It sounds like you had the right approach to identifying the ultra poor and providing some assistance, but you are right, long term intervention is necessary.

I think with the transition of the BDS field from individual business development to value chain development, there will also be more of a chance of success. But these projects will need at least 3-5 years of support in a post conflict situation. For instance, you talk of providing training and even financial services developed for a specific population, but the marketing was more work. If inputs, technical training and also output markets are all developed simultaneously, then there might be more of a chance of success. And this would need to be done with various stakeholders, existing BDS providers and even other NGOs. And when I say output markets, I am not necessarily talking of export. Just linking rural communities to towns and then to cities, are markets that can increase income considerably. Creating wealth at the bottom of the pyramid along the value chain so that the poor at all stages along the chain are earning an income, is a more holistic direction to move in and will ultimately benefit the poor and vulnerable. Infrastructure development takes time post war which affects market access considerably. This is a real challenge for sure. Landmines are also a huge problem and this affects access to land and transportation.

The examples that Tim provided regarding ARC and how they target the poor is

also very interesting because the three groups essentially have different products and services which are related to their level of vulnerability. It will be interesting to see how the project in Sierra Leone with the various INGOs are working together. Value chain development is working with agricultural projects, I wonder if there is anyone out there working with value chains in non agricultural contexts in post conflict locations? It would be interesting to see how marketing and market access as well as access to supplies for manufacturing are dealt with in post conflict in a non agricultural project.

Mary E. Morgan

*02-17-2005*

*Tim Nourse*

Mary,

Hi. I wanted to pick up on the issue of timing - you mention that in Bosnia, economic projects really started up 1-2 years after peace was declared. In Sierra Leone, the situation has some similarities and differences. There, business development programs began immediately with peace or even before, since regions of Sierra Leone were declared safe many months before others. However, these programs focused mainly on individual businesses and households, providing business training, grant capital or microfinance. It is only now, 2.5 years since successful elections (the real sign of peace) that we are able to implement a more complex value chain program that has both local and regional activities. Based on this experience, it seems that starting with simpler activities focused on the individual level, then moving towards regional/more complex value chain activities is an effective approach. Would you (others) agree? In your experience, were you able to link the two types of activities, so that one led naturally into the other?

You also mentioned that economic activities should be coupled with social/civil society activities - can you elaborate? We'll be discussing this in more detail on Day three, but I'm curious as to your perspective.

Cheers,

Tim

02-17-2005

*Mary Morgan*

Interesting learning that ARC has had regarding when to focus on individual business development and then a systems economic development like value chains. Makes sense that the former is done as soon as the peace is signed and then it moves into value chain development.

I was mentioning about working with civil society and social protection programs. When there is lots of trauma, and also working in a transitioning economy, people need to transition from war and socialism to peace and a market economy where civil society has a presence. When people become more stable (psychologically and also materially knowing that they are safe) then earning an income becomes their principal need. Having experience in a group that has done some psychosocial work or have started a small civil society association is a way for individuals to experience trust and confidence that they can work with others. The individual and the collective then want to make change together. I have found that introducing an economic activity in this forum is a good place to introduce market economic concepts and how to participate in the market economy. It's safe and supportive. Really important for people who have experienced trauma.

Mary E. Morgan

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## **" 'Pre-conflict' microfinance? BDS to prevent conflict?"**

02-17-2005

*Borany Penh*

Hi,

I'm enjoying the discussion so far. Its really helpful to hear about the different experiences. I wanted to see if there are folks out there that have experience in using microfinance/BDS for conflict prevention as opposed to post-conflict reconstruction? I understand it is difficult to say oftentimes when a country is pre-conflict but there must be some measure of judging this - ex: Nepal?

Another question I have is how do we, the development community, balance the pressure for immediate results through relief aid with adherence to good economic principles for development? For example, I'm hearing that relief efforts may be creating dependencies and distorting markets in Aceh. Is it a sequencing issue? Can relief efforts be programmed to take into account sound economic principles? How?

As a political economist working in the economic growth bureau at AID, these issues are relatively new to me because I've been focused mostly on what we are calling "transformational" developers. I believe the pre, conflict, and post-conflict countries or what we are terming "fragile states" require us to toss out many of the assumptions we have for TDs. But I still see a role for good economic principles as my question above indicates. Hopefully the upcoming in-house workshop we will be hosting with the Conflict Management and Mitigation office will help us sort out some of these issues.

*02-17-2005*  
*Tim Nourse*

Dear Borany,

Good questions. Some thoughts:

In Guinea, a country that has remained peaceful, but which borders three conflict countries - Sierra Leone, Liberia and Ivory Coast, ARC will begin to implement a program for youth (Pathways) that is designed to prevent conflict. The program will provide lifeskills training, with a strong emphasis on enterprise development, to youth (18-30) at risk. The program will focus on the forest region of Guinea, which is the part that touches all three of its conflicted neighbors and which has been frequent crossing point for rebel armies. The idea behind the program is to provide opportunities for youth and in conjunction with their communities, develop an early warning system that can head off conflict before it develops.

Concerning the pressure between results and good long term programming, I think you've touched upon one of the key issues in post-conflict. The typical donors involved in post-conflict (or post-disaster) situations have short funding cycles and little technical expertise in livelihoods/BDS. Relief NGOs often have the same weakness, since their development technical advisors are rarely brought into programming discussions for disasters. The end result is often too much direct provision of externally purchased supplies, when local goods could have been bought, ignoring of opportunities to build local capacity, or extending of relief programming for too long. Clearly, conducting longer term programs in a relief/post-conflict environment are more difficult and risky, since the situation can change rapidly. However, the pay-off should be greater, as the relief activities provide the foundation for later development.

Can AID play this role, supporting OFDA to look at the longer term? Is this type of approach possible when money is scarce for even "lifesaving" activities?

Tim

*02-18-2005*

*Ekanath Khatiwada*

Hi,

It is really the question of how BDS can contribute the economic growth in pre- conflict and post conflict situations. We called commercially viable situation/or fee for the services. And not to distort the local market. How it could be possible where the relief types of programme is required/most necessary. Therefore we have to think about the integrated approach where BDS principal fits in long term economic goal. As a BDS Practitioner, I am also questioned myself how to work around conflict and BDS. In Nepal we are trying to adopt the BDS approach but some time markets will be uncertain/unpredictable due to the conflict situation. I don't know the exact measure but integration of services in local level would be effective.

Regards,

Ekanath Khatiwada

BDS Advisor

Netherlands Development Organization

Nepal

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## "Day Three - Sequencing and Linking Services"

02-18-2005

Tim Nourse

Dear all,

Welcome to Day Three of the discussion. Today we'd like to focus on sequencing and linking of business development services in post-conflict environments.

An approach that sequences services starts with a simple or subsidized service and over time adds more complex or sustainable elements. An example of sequencing would be providing business training on a subsidized basis and over time adding content and fees to make it more rewarding and sustainable; or working with farmers associations to build their productive capacity before trying to link them into regional markets.

Linking services on the other hand is an approach that will connect business development services with complementary programs, whether microfinance, civil society building or psycho-social. An example of linking would be helping small scale producers of irrigation equipment to improve their product and connecting them to microfinance programs for capital; or providing trauma counseling along with business development services.

On the surface, sequencing and linking appear to be appropriate strategies for post-conflict. Sequencing services can answer to the growing needs of entrepreneurs as they restart, then build their enterprises; linking services may meet the various needs of entrepreneurs that have experienced more than just business loss. Is this a correct assumption? Today, please respond to these issues by addressing the following questions:

- Have you seen examples of sequencing or linking services? Were they successful and why?
- What are the challenges of pursuing the sequencing or linking of services?

I've copied a section of Mary Morgan's submission this morning to start us off. We look forward to your input.

[Mary Morgan writes:

"I was mentioning about working with civil society and social protection programs. When there is lots of trauma, and also working in a transitioning economy, people need to transition from war and socialism to peace and a market economy where civil society has a presence. When people become more stable (psychologically and also materially knowing that they are safe) then earning an income becomes their principal need. Having experience in a group that has done some psychosocial work or have started a small civil society association is a way for individuals to experience trust and confidence that they can work with others. The individual and the collective then want to make change together. I have found that introducing an economic activity in this forum is a good place to introduce market economic concepts and how to participate in the market economy. It's safe and supportive. Really important for people who have experienced trauma."]

*02-18-2005*

*Ekanath Khatiwada*

Hello,

Sequencing the services and linking of BDS depend upon the effective services co ordination at local level As indicated in Donor Co ordination). As per my working experinces,the integration of local services ( From Government services,NGOs,INGos programme and providers/private sector) is the most. Single Agencies can not deliver all the services package at a time. There are different expertise and services available in local level which may complement each other.Sequencing teh services depends upon local markets and opportunity of services Transaction.

Ekanath Khatiwada

Nepal

*02-18-2005*

*Tim Nourse*

Dear Ekanath,

Hi. Definitely agree that a single agency can not provide all the services; I think that this was the problem with past "integrated" programming that tried to do it all through a single source. Instead, working with different partners, each who can contribute according to their expertise can work better. In

a previous post, I mentioned that ARC was working with four other International NGOs and a host of local partners to focus on different aspects of the agricultural value chain in Sierra Leone. Since coordination of this many actors is a challenge, we've set up a coordination body that meets on a regular basis to share information and make sure that everyone is pulling their weight.

In your experience in Nepal, what means have you used to coordinate to help ensure proper sequencing/linking? Have you had any success with this type of approach?

Cheers,

Tim

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## **"Conclusion -- What we have covered"**

*02-19-2005*

*Shoshana Hecker*

Well, we have come to the end of our three day discussion on Microenterprise in Post-Conflict Environments. We would like to thank everyone who participated in this Speaker's Corner.

During each of the three days we focused on a particular discussion. On day one, we looked at the general needs of microentrepreneurs in post-conflict and discussed the importance of conducting market assessments in order to focus on and provide the most appropriate services to your target audience. On day two, we focused on the role of business training activities in post-conflict environments, including the powerful impact of using interactive, immediately applicable, learning techniques. On day three, we examined how business development services can be sequenced and/or linked, discussing the importance of effective coordination and integration of services by several donors/governments/NGOs/service providers. A PDF transcript of the discussion will be posted on the MicroLINKS website next week.

If you are interested in continuing this dialogue, you will still be able to post your questions and comments following the discussion on the page.

Again, thank you everyone for a very interesting and informative discussion!

Don't forget the USAID conference taking place next Thursday on post-disaster and economic reconstruction. If you want to participate, download the sign up sheet on this page and send to Vickie Clark at [vclark@usaid.gov](mailto:vclark@usaid.gov). If you have questions about the agenda or content of the conference, don't hesitate to post them here.