

From Civil Strife to Peacebuilding:

The Private Sector's Role in West African Reconstruction

Conference Report

The Centre for International Governance Innovation

December 6-7, 2007

A conference on the post-conflict situation in the West African "fragile states" of Liberia, Sierra Leone, and Côte d'Ivoire, organized by the Centre for International Governance Innovation, the Laurier Centre for Strategic Military and Disarmament Studies and the Kofi Annan International Peacekeeping Training Centre was held in Accra, Ghana, on 6-7 December 2007. The conference, "From Civil Strife to Peace Building: Examining Private Sector Involvement in West African Reconstruction," focused on peacebuilding efforts currently underway in the three countries and the role the private sector plays as a catalyst for economic growth and political stability in the historically war-ravaged region.

"While there is broad agreement on what is development, there were divergent views on how to achieve it."

involved in issues relating to peacebuilding efforts and economic reconstruction initiatives. The conference aimed to share ideas pertaining to the conference theme and present policy recommendations that would help ensure that these fragile states do not slide back into civil conflict. In doing so, it attempted to address some of the challenges and obstacles facing the private sector in the three post-conflict West African states.

The conference brought together leading international academics and respected policy makers from around Africa and elsewhere, who have been directly

In light of the challenges posed in the post-conflict environment and the growing realization that the private sector could play a strategic role supporting reconstruction efforts by donor communities¹ and governments in the region, the conference debated four important questions with regard to peacebuilding activities, coupled with the growing importance of the private sector:

1. At what stages of the peacebuilding process do Côte d'Ivoire, Sierra Leone and Liberia find themselves at this point in time?
2. To what extent has the presence of peacebuilding initiatives and strategies aimed at economic growth, driven by both governments and international organizations in the region, succeeded in fostering more democratic and transparent institutions, while at the same time promoting economic growth and poverty alleviation, which are regarded as key historical sources of instability in Côte d'Ivoire, Sierra Leone and Liberia?
3. What are the opportunities and, more importantly, the challenges facing the private sector in these post-conflict West African states?
4. What policy recommendations and institutional reforms are necessary to support and sustain the peacebuilding efforts in West Africa while simultaneously strengthening the private sector as the driving force behind the region's economic reconstruction?

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Background

Côte d'Ivoire

In September 2002 a troop mutiny escalated into a full-scale rebellion, voicing the ongoing discontent of northern Muslims who felt they were being discriminated against in Ivorian politics. An early response to the crisis by France and the Economic Community of West African States (ECOWAS)² reduced the intensity of the violence and contributed to low casualties during the conflict. The act of military intervention, however, did not address the political issues. The most recent of several attempts to resolve the conflict was the Ouagadougou Peace Agreement, signed on 4 March 2007. Under this accord Guillaume Soro, the rebel leader, became prime minister alongside

they were excluded from the Ouagadougou Agreement. Elections need to be held as soon as possible, to prevent a return to violence. However, cautious optimism prevails. While the risk of military confrontation has decreased, political uncertainty remains high. Therefore, there is a need for commitment by the Ivorian role-players, civil society and the international community in order to help consolidate peace.

Sierra Leone

In 2002, Sierra Leone emerged from a decade-long civil war. By 31 March 2004, the National Committee for Disarmament, Demobilization and Reintegration (NCDDR) officially closed its office to the public after conducting one of West Africa's most successful DDR programs. The country has since held successful democratic elections in 2002 and 2007. Despite these successes, Sierra Leone ranks last out of 177 countries in the UN Human Development Index. The International Crisis Group (ICG) contends that reconstruction in the country has only succeeded in recreating the conditions that resulted in the outbreak of the war initially. The ICG report, written by Lansana Gberie, a research associate at Laurier Centre for Military Strategic and Disarmament Studies (LCMSDS), argues that, in 1992, civil war was primarily fueled by the exploitation of natural resources, a general collapse of the state, and other related governance failures, a lack of public services and a corrupt judicial system.⁴ Today, long-term formal employment opportunities remain scarce, with unemployment levels at approximately 70 percent. Most parts of Freetown, the capital city are without consistent water or electricity supply. While peace has returned to Sierra Leone, disappointment with the slow pace of reconstruction is widespread among the population.

In Sierra Leone the private sector has an enormous responsibility to generate economic growth, job creation, income generation and poverty reduction.



Ms. Marguerite Yolibi, National Coordinator, West Africa Network for Peacebuilding in Côte d'Ivoire and H.E. Ambassador Filiberto Ceriani Sebregond, Head of the European Commission Delegation and Ambassador to the Republic of Ghana.

President Laurent Gbagbo. The Agreement called for the removal of the Confidence Zone,³ disarmament of both forces, as well as scheduled elections for early 2008. The new government is working towards implementing the Peace Agreement, but the process appears to be slow. The identification process has started, but there is disagreement about the number of people who are to be issued national identity cards to be used for registration purposes in future elections. There is continuing uncertainty since some political parties felt

Liberia

The resignation of the former President of Liberia, Charles Taylor, and the signing of the Comprehensive Peace Agreement in August 2003, marked the end of 13 years of civil war. Since then, the country has experienced relative peace and the successful election in 2005 that resulted in the election of the first female president in Africa, Ellen Johnson-Sirleaf. However, Liberia continues as one of the United Nations' most

expensive peacekeeping operations. A progress report by the UN Mission in Liberia (UNMIL) in August 2007 stated that "Liberia has become a generally stable country in a volatile sub-region." However, "the prevailing peace is very fragile" and "the country will remain vulnerable to the risk of a return to lawlessness." Progress of reconstruction initiatives has continued to be slow due to a lack of basic infrastructure, finance and equipment. As in Sierra Leone, the "weak presence of state authority in some counties, aggravated by poor communication and lack of livelihood" may be re-creating the atmosphere that initially gave rise to the outbreak of violence.

Discussions

CÔTE D'IVOIRE

Donor Support

With the exception of the EU and a few others, most bilateral donors withdrew from the country with the surge of hostilities in 2002 and have yet to resume regular operations. There is, however, increasing donor support for the peace process. This support is earmarked for the Disarmament, Demobilization Re-integration (DDR) process, preparation for elections, as well as security sector reforms. The Ivorian government has not been able to access most of the promised funds due to its inability to satisfy conditions attached to the financial assistance. Nor has it met its internal obligation to establish a coordination committee so that donors may start disbursing funds.

There is collaboration among donors, but also, in some cases, the appearance of competition, leading to duplication of projects. Donors in Côte d'Ivoire recognize the need to revise the existing framework

Strong sustainable growth is not expected in Côte d'Ivoire until peace is firmly established.

for collaboration among themselves, but doing so will be difficult until more of them establish an on-the-ground presence.

The focus of the European Union's

(EU) assistance to Côte d'Ivoire has been in the form of relief, rehabilitation and development, which continued to some extent throughout the crisis. The EU adopted a flexible approach, which allowed its program to adapt as the crisis evolved. To avoid the disruption of development assistance to the country, the EU adopted a de facto



Mr. Inza Diomande, Coordinator of the Regional Offices, Programme National de Réinsertion et de Réhabilitation Communautaire, Abidjan.

relationship with the government, allowing it to implement projects in education, health and sanitation projects through non-governmental organizations (NGOs).

The EU has contributed to the rehabilitation of administrative bodies as part of a program to assist the national government to redeploy the administrative offices throughout the country. It is also cooperating with the Ministries of Justice and the Interior to update records and assist with the modernization and reform of the country's record system. Furthermore, the EU's support for decentralization of administration was expanded to include six major cities across the country.

Electoral assistance took the form of supplying ballot boxes, as well as training local administrators and election observers. The Electoral Commission will continue to support those sectors aimed at restructuring the state, that is, judicial reform and decentralization.

The Private Sector

The civil conflict had a negative impact on the private sector. Across the country, the majority of the banks closed approximately 60 percent of their branches. Although Côte d'Ivoire did not suffer total economic collapse as had been the case with Liberia and Sierra Leone, private sector investment declined considerably. Access to credit became difficult, weakening the operations of the majority of private enterprises. Deteriorated infrastructure also affected business operations.

The private sector needs to be revitalized by encouraging the return of investors and attracting direct foreign investment. However, the right environment must be created for investment through economic and political stability, as well as personal security.

There is also a need for building institutional capacity and that of small- and medium-scale industries, as well as reducing the cost of doing business. An improvement in the provision of infrastructure such as roads, water and telecommunication systems will facilitate growth in the private sector.

Côte d'Ivoire is important economically because of the impact of its economy on the entire sub-region. For instance, the Ivorian port of Abidjan serves as an entry point for several countries. Côte d'Ivoire used to be the

per capita stood at \$870, an increase of \$40 between 2006 and 2007.⁷ However, strong sustainable economic growth is not expected until peace is firmly established.

Agriculture has long been the foundation of the Ivorian economy. Mining and petroleum have also become important. Oil, coffee and cocoa products constitute the largest contributors to the economy. Côte d'Ivoire retains enormous economic opportunities with regard to agriculture, agro-business and oil. An oil refinery is required to increase the country's capacity for oil production. The country also has excess electric power, which it could export to other countries to help improve the well-being of those in the sub-region.

There is a need for a radical change in governance, both in the public and corporate sectors.

Challenges

- Curbing corruption, one of the greatest challenges facing Côte d'Ivoire, is an important responsibility that rests with government, but much also depends on corporate practices. Mutual accountability, involving both the private sector and government, is important. There is a need for a radical change in governance, both public sector and corporate, in this respect.
- Côte d'Ivoire is heavily indebted and needs debt relief, but most of its debts are owed to private creditors. It has long been suggested that these private creditors should grant the country debt relief in order to improve confidence in the economy.
- Banking services and credit to small businesses have declined. The banking sector needs programs that will help small businesses to grow. Micro-finance institutions should provide savings and insurance, and those services should reach all parts of the country.
- Côte d'Ivoire remains a viable state, but there is a need for external support to sustain the current peace process. The private sector could assist in reviving the economy, but it needs support in terms of capital and institutional capacity. The general observation by the conference was that, for Côte d'Ivoire, the return of foreign investment and the revival of the private sector largely depend on progress with the peacebuilding process, which will, in turn, provide economic, investment and personal security to the private sector.



Mr. Willem Jaspers, Bonn International Centre for Conversion and European Commission Kimberley Process Secretariat and Mr. Jonathan Coppel, Executive Program Manager of the NEPAD-OECD Africa Investment Initiative, Paris.

economic hub of francophone West Africa - a place where economic role-players in the region used to meet. Assuming the political situation remains stable and successful presidential elections take place no later than 30 November 2008, GDP growth is projected to increase. Economists put GDP growth at an estimated 1.7 percent in 2007, buoyed largely by growing oil and gas revenues, along with steady cocoa exports.⁵ By the same token, GDP reached \$17.5 billion in 2006, up from \$16.1 the previous year.⁶ Meanwhile Gross National Income



Prof. Francis Akindès, professor of Economic and Political Sociology, Université de Bouaké, Abidjan, and prof. Ekundayo Thompson, Director of the Directorate of Planning, Research and Development, Njala University, Freetown.

SIERRA LEONE

Security Situation

The security situation remains fairly stable, albeit fragile. Currently, the major threat to national security is high unemployment, especially among youth. The United Nations Integrated Office in Sierra Leone (UNIOSIL), in conjunction with development partners such as the United Kingdom's Department for International Development (DFID), produced a national security plan for the 2007 presidential elections. Other UN support has included crowd control equipment for the police, community policing and crime management.

The Security Sector Reform (SSR) exercise of the Sierra Leonean military force also benefited from UNIOSIL's assistance in recruitment, training, military hardware and logistics, and infrastructure. The current strength of the Sierra Leone army stands at some 10,300 military personnel.⁸ UNIOSIL undertakes periodic monitoring and reporting to the UN Security Council on the security situation in the country.

Much donor assistance to the security sector went into rehabilitating housing for the military and the police. Donor resources also facilitated a reorientation of the security services' training curriculum in favor of human rights and rule of law principles

Deepening Democracy

In what international observers have described as one of the most transparent elections in any post-conflict society in Africa, UNIOSIL and other partners played a large role in building the capacities of the national electoral commission, establishing a Code of Conduct for political parties, facilitating inter-party dialogue between political parties, and establishing district electoral monitoring committees.

Among the reasons the election was significant were the following:

- It was the first election conducted by the National Electoral Commission, thereby raising the standard of legitimacy and national ownership of the election process and legitimizing outcome beyond a shred of doubt.
- The 75 percent turnout rate on Election Day demonstrated the determination of Sierra Leoneans to participate in free and fair elections.
- There were no reported cases of violent death during the political process.
- The use of firearms was minimal during the entire election campaign.
- The presence of international electoral observers was regarded as crucial to the success of the elections.

Human Rights, Rule of Law and Gender Equality

Much progress was made under the Truth and Reconciliation Commission (TRC) and the UN Special Tribunal for Sierra Leone. However, the establishment of a special court excluded the participation of many ex-combatants who, hitherto, would have joined the reconciliation process. There was concern as to whether or not the recommendations of the TRC were achievable given that that the majority of them bordered on human rights issues which fall under the mandate of the Human Rights Commission. This has led to a clash of interest between the two institutions in recent years. Due to a lack of human and financial resources, the process of implementing of the TRC recommendations has been slow and onerous.

Reform in the judicial sector included the drafting of national legislation that seeks to promote and strengthen respect for human rights and the rule of law, including good governance.

Human rights standards were upgraded in the prison service, resulting in improvements in prison facilities and conditions, and more training was given to corrections officers.

According to UNIOSIL, more needs to be done to promote women's participation in the national politics of Sierra Leone. Women retained fewer seats (16) in the current parliament in the previous parliament (18). At cabinet level, only three out of 20 Ministers of State are women. A key factor limiting women's participation in the political processes of the country is the lack of political will to address cultural practices that discriminate against girls and women.

The ongoing trial in The Hague of the former Liberian President, Charles Taylor, provides a global platform for the international community to monitor the trial proceedings and the outcome closely. The UN decision to transfer his case to The Hague is a blow to the culture of autocratic leadership in the region and strengthens international efforts to seek peace, reconciliation and justice in West Africa and the world at large. Had Taylor been brought to trial in Sierra Leone, some still loyal elements in the now disbanded Revolutionary United Front (RUF) might have been tempted to use violence to shield him from prosecution.

Private Sector

The government in Sierra Leone needs to develop a strong partnership with the private sector if it is to achieve the goals of employment generation and poverty reduction. The key to the development of the economy lies in private sector resource mobilization and the promotion of investment from both domestic and foreign sources. The Investment Promotion Act is aimed at creating an enabling environment for direct foreign investment, while the privatization of state-owned enterprises will promote efficiency in the public service.

The Chamber of Commerce and the Petty Traders Association play key roles in shaping the country's industry. However, for industry to experience greater growth, there is first a need for continued reform in the judiciary, second, a need for infrastructure development in terms of roads, energy and information technology, and third, a need for enhanced access to financial institutions' credit facilities.

In the country's current development situation, the private sector has an enormous responsibility to generate economic growth, job creation, income

generation and poverty reduction, as has been pointed out in the Poverty Reduction Strategy Paper (PRSP).

Even though the mining industry is the main driver of the economy, no purposeful effort is made to link the industry to poverty reduction. Diamond smuggling appears to be still prevalent and detrimental to the mining industry itself.

It is admitted that the Investment Policy is being implemented with some difficulty. Officials gave assurances, however, that the Investment Act is still a working document and that it will continue to shape business in the country. The activities of businesses in the informal sector continue to pose challenges in terms of accounting practices, standardization and regulation. In this regard, the government is making an effort to streamline the operations of the informal sector into the mainstream economy by strengthening the Petty Traders Association and the Chamber of Commerce.



Dr. Sunday Ochoche, Senior Political Affairs Officer, United Nations Integrated Office in Sierra Leone (UNIOSIL), Freetown.

Development Partners

External assistance from donor partners arrived extremely late in the post-conflict period and some promised aid did not materialize at all. Currently, DFID remains the dominant bilateral partner. Apparently, the benchmarks of the partnership deal with DFID were established without sufficient consultation with the government or people of Sierra Leone. Most of the benchmarks have not yet been achieved.

Challenges

The following are among the challenges confronting the peacebuilding process in Sierra Leone:

- Much work still needs to be done in the areas of governance and security, anti-corruption, the reform of the diamond industry, free media and poverty reduction.
- There is a high perception of corruption in government. Not much appears to be done to curb corruption in all levels of government.
- There is a high level of political intolerance between supporters of political parties.
- Politics in the country are largely influenced by ethnicity, as seen in the election results.
- Local government elections scheduled for late 2008 may not attract the same level of international support as did the general elections. Financing of local government elections remains a major challenge to the deepening of democracy at the grassroots level.
- Slow implementation of the TRC recommendations is undermining the prospects for peace and reconciliation.
- The government's inability to leverage high public expectations, especially among youth, against a backdrop of high unemployment for the majority, stands to exacerbate the fragility of peace in the country. People want to see the dividends of peace in the shortest possible time. It is therefore incumbent on government to do a better job of explaining its development policies to the people.
- The upcoming constitutional review process will, no doubt, engender intense political debate in the country in years to come.

LIBERIA

National Diplomacy

The new national policy direction is aimed at attracting and maximizing bilateral and multilateral assistance to Liberia. This is being done via a change as a result of the new orientation, the National Investment Commission (NIC) has been established to provide technical advice to the government on investment issues and takes part in all investment negotiations. As well, the government has changed the operational mandate for Liberian diplomatic missions abroad from that of informal gatherings to trade and investment forums.

One of the NIC's priority areas is to help create a national image based on the goodwill of the President.

So far, the national image building process has succeeded in transforming the public face of Liberia from a "state of failure" to a "state of the future." Currently, an NIC website publicizes and promotes investment activities to the international business community. In terms of international trade, there are continuous efforts to take full advantage of the Economic Community of West African States (ECOWAS) and the US Africa Growth and Opportunity Act (AGOA).



Dr. Sunday Ochoche, Senior Political Affairs Officer, United Nations Integrated Office in Sierra Leone (UNIOSIL), Freetown, and Dr. Thomas Jaye, Senior Research Fellow, Kofi Annan International Peacekeeping Training Centre, Accra, and H.E. Ambassador Milton Nathaniel Barnes, Liberia's Ambassador and Permanent Representative to the UN.

Security Sector Reform and DDR

The security sector has undergone a major transformation, both at national and local levels, due to the disbanding of warring factions and the disarmament of more than 100,000 former combatants. The sector has also seen the confiscation of more than 28,314 weapons and approximately 6.5 million rounds of ammunition. In the Armed Forces of Liberia (AFL), more than 13,700 officers have been demobilized, there has been a restructuring of the Special Security Service and some 920 unqualified Special Security Service members have been deactivated.

The restructuring process of the Liberian security sector should primarily address the restructuring of the Army and the Police Service. More importantly, there is a need for proper supervision of the private security army contracted from the United States to train officers in the new Liberian Army. Efforts must be made to ensure that much of the DDR process should go towards overall

security sector reform. Currently, a draft National Security Strategy has been submitted to government, and it will soon be made available to the general public for stakeholder discussions.

Key issues for discussion:

- Broadening the gender base of staff members at all levels, as well as restoring national pride in the nation's security.
- Restoring and strengthening democratic control over the national security system.
- Streamlining the National Security Strategy to conform to international human rights and rule of law standards.
- Integrating the National Security Strategy into the ECOWAS security architecture.



Dr. David Bridgman, Lead Private Sector Development Specialist, Investment Climate Team for Africa, The World Bank, Johannesburg, and Mr. Gengezi Mgidlana, Special Advisor to the CEO, NEPAD Secretariat, Johannesburg.

The DDR program in both Liberia and Sierra Leone has focused primarily on training with little done afterwards to equip beneficiaries. In Liberia, psychosocial programs, including counseling for war-affected victims, were not properly coordinated, and left many people out of the DDR scheme. The reintegration process must seek to address the concerns of the country's vulnerable population.

Apart from the fact that the DDR program lacked local input, budgetary constraints created a gap between disarmament and demobilization on the one hand, and

reintegration on the other.

War-affected Populations

At the end of the DDR process, some 9,000 ex-combatants remain to be enrolled in new reintegration programs. Approximately 110,000 refugees have returned with UN assistance, while 50,000 have returned spontaneously. However, more than 80,000 Liberians are still displaced in the sub-region.

Democracy, Rule of Law and Human Rights

The country held a successful presidential and legislative election, resulting in the election of the first female president in Africa. There were many reforms in the judicial sector, including:

- The establishment of the Truth and Reconciliation Commission (TRC);
- The adoption of a new rule of law reform strategy;
- Renovation of court houses and prisons by means of Quick Impact Projects (QIP);
- Screening of all judges and magistrates in the country;
- A comprehensive training program for the legal profession;
- The enactment of new laws on rape and human trafficking;
- Trial by jury;
- The financial autonomy of the judiciary; and
- A national ban on shotguns.

Basic Services and Infrastructure

Efforts underway to restore the country's physical infrastructure are evident in the ongoing construction and repair work on major roadways, bridges and airport runways. Furthermore, community-based recovery programs have been initiated in education, health, water and sanitation.

Private Sector Development and Economic Revitalization

The government inherited a collapsed economy, characterized by a sharp decline in rice production, a low level of financial services, and an unemployment rate of more than 80 percent. Efforts at reviving the economy are mainly linked to the implementation of the Governance and Economic Management Assistance Plan (GEMAP)⁹, which is expected to boost government revenues to help implement development policies.

Other measures that are geared towards the country's economic revitalization include:

- A review of forestry concessions;
- The lifting of timber sanctions;
- The lifting of diamond sanctions;
- The rehabilitation of four county Central Bank branches;
- The design and implementation of infrastructure projects geared towards addressing pressing unemployment problems;
- The repossession or reorganization of major rubber plantations;
- A review of all major concessions and contracts; and
- A 30 percent growth in national revenue collection.

The GOL's supported growth and development program of the private sector is currently targeting economic empowerment, capital and private business know-how in Liberia. In light of this, a matching fund has been established to support local businesses. However, women, who are the majority in Liberia, are often sidelined in economic policies. Few women own businesses and they often lack the collateral to compete with their male counterparts for loans. Most women are engaged in the informal sector. Questions remain about how the new investment policy is addressing gender issues. Are there any special incentives or investment portfolios for women entrepreneurs? How will the policy integrate women-run businesses into the mainstream formal economy? And how much information on private investment is being provided to the Liberian people?

Liberia is retaining an open-door policy for both domestic and international trade. However, the focus is now shifting to the promotion of direct foreign investment, since more capital needs to be injected into the economy. Adding value to raw materials and creating local employment remain strong policy conditions in all investment negotiations in the country. Under the new investment regime, Liberia is being marketed to both local and foreign investors as an attractive investment destination, accompanied by policy initiatives that are designed to enhance the competitive capacity of local businesses.

As part of the long-term measures to promote investment and employment in the country, the government is engaged in negotiations with foreign and other investors, with a view to establishing partnership ventures in Liberia.



The conference brought together leading academics and policy makers from Africa and around the world.

The national monetary policy emphasizes price stabilization, which falls under the mandate of the Central Bank. The major challenge however, lies in the fact that the country to a large degree operates a two-currency economy. This often results in the local currency not being able to hold its own against the international trading currency.

The investment drive also looks at market opportunities abroad. Before targeting international markets, it is important to consider the market potential of the West African sub-region. The ECOWAS Protocol does carry some provisions that promote sub-regional trade, this regional group of fifteen West African states main focus remains promoting economic integration into the sub-region.

Challenges

Overall, there are some significant areas of concern that deserve attention for both the short and long term in Liberia. They include:

- Poor infrastructure;
- The SSR Strategy has not yet been adopted;
- The outstanding caseload of ex-combatants;
- Public management, which is being constrained by severe capacity limitations;
- Limited capacity in implementing procurement procedures in government agencies;
- Lack of qualified legal and judicial officers;

- Significant delays in trial proceedings;
- Critical infrastructure deficiencies in strategic installations, e.g., Monrovia Freeport, Roberts International Airport and some road networks; and
- Concerns regarding the provision of healthcare and education in the counties.

Conclusion

West Africa, tragically known for its share of civil war, large-scale atrocities, mass displacement of populations and economic decline since the end of colonial rule in the 1960s, has long been a textbook example of what is referred to in academic literature today as a "fragile and/or a failing region."



Major General John Attipoe, Commandant, Kofi Annan International Peacekeeping Training Centre.

With abundant mineral resources, which have actually proved to be a curse rather than a blessing, states such as Liberia and Sierra Leone, which found themselves chained to autocratic and corrupt leadership throughout much of the 1980s and 1990s, periodically made the evening news on Western television sets during that period. Even Côte d'Ivoire, once regarded as a beacon of stability and prosperity, found itself entangled in civil strife in 2002, following the brewing resentment and frustration of the Northerners, who blamed their exclusion from Ivorian society and politics.

While peacebuilding efforts in these states has generally focused on reconciliation, disarmament, demobilization, reintegration and security sector reform, not much

attention has been paid to the advantages of strengthening the private sectors of these post-conflict West African states, to allow them to become key partners in the economic reconstruction processes.

Given that aid and debt relief, the traditional remedies offered to overcome the continent's dependency and underdevelopment, have not been effective, the private sector is increasingly viewed as the missing link in the cycle of improving the competitiveness of African economies, while signalling the need for the establishment of a more enabling environment needed to encourage the growth of small and medium enterprises and in attracting foreign direct investment.

It comes as no surprise that the private sector faces a number of challenges and obstacles, such as a lack of infrastructure (roads, railway systems, electricity and water); inadequate capital reserves and cumbersome procedures that entrepreneurs face in accessing credit; and a lack of capacity in the private sector to tap into investment opportunities and to network. Consequently, for the private sector to thrive, an investment-friendly atmosphere must be created. Investor-friendly business environments should focus on political stability, macro-economic reform and prudent fiscal discipline and liberalization of the economy, as well as greater personal security.

The three West African states under review remain economically vulnerable and politically fragile, and there is a need for external financial and technical support to sustain the peacebuilding processes currently underway. The private sector can contribute to the revival of the regional economies, but would need adequate support in terms of capital and institutional capacity, both from donor communities and national governments.

Positive change can only be possible with government interventions to improve investment climates, strengthen the security sector to curb corruption, and substantially reduce the cost of doing business. Given the arduous task of assisting governments in the region with the peacebuilding and economic reconstruction efforts currently underway, the task now remains: how to encourage greater involvement of business that clearly demonstrates alignment with their objectives and profit margins. It is foolhardy to assume that the private sector would jump at business opportunities made available by governments, particularly those that have yet to create conducive business environments for investors in the first place.

Endnotes

¹ The international community of official development aid donors currently comprises 37 countries (bilateral donors) and some 30 international organizations (multilateral donors). This multiplicity of donors, each with their projects, programs, interests, concepts, procedures and structures is largely driven towards coordinating development cooperation in recipient states. The underlying reason for this is the growing pressure to improve the efficiency and effectiveness of development cooperation exerted on the one hand, by the ambitious United Nations' Millennium Development Goals (MDGs) and on the other hand, the comprehensive poverty reduction strategies (PRSs) being pursued by a large number of low-income countries.

² The Economic Community of West African States (ECOWAS), a regional group of fifteen West African states, was founded in 1975 with the signing of the Treaty of Lagos. Its mission is to promote economic integration in "all fields of economic activity, particularly telecommunications, industry, transport, commerce, natural resources, agriculture, monetary, social and cultural matters. ECOWAS established the Economic Community of West African States Monitoring Group (ECOMOG), a West African multinational peacekeeping force. ECOMOG teams are generally comprised of military units or technical experts from ECOWAS member states. ECOMOG was principally responsible for the restoration of peace in Liberia in 1997. Since then, ECOMOG forces have been deployed to Sierra Leone and Guinea-Bissau to address conflicts in those states. ECOWAS has played an important role in the recent conflict in Côte d'Ivoire.

³ This 1,200 km-long strip of land, demarcated in 2003, was patrolled by heavily armed UN and French peacekeepers, stationed there to monitor the ceasefire and keep the fragile peace between the former rebel New Forces in the north and the loyalist army to the south of the country. Under no circumstances were any weapons or Ivorian soldiers allowed in this strip of neutral territory, which ran from the Liberian border in the west, to the frontier with Ghana in the east. In April 2008, the UN peacekeeping mission in Côte d'Ivoire (UNOCI) dismantled almost all of its military observation posts in the former Confidence Zone. Only two of the original 17 observation posts built inside the zone remain operational.

⁴ For more information on ICG Sierra Leone reports, see <http://www.crisisgroup.org/home/index.cfm?id=1391&l=1>

⁵ http://www.reportbuyer.com/countries/africa/cote_divoire_business_forecast_report_q2_2008.html and <http://www.marketresearch.com/product/print/default.asp?g=1&productid=1742353>

⁶ <http://devdata.worldbank.org/external/CPProfile.asp?CCODE=CIV&PTYPE=CP>

⁷ <http://devdata.worldbank.org/external/CPProfile.asp?CCODE=CIV&PTYPE=CP>

⁸ <http://www.uniosil.org/documents/sgreports/3rdSGReport.pdf>

⁹ GEMAP is a partnership between the Government of Liberia (GOL) and the international community to enhance transparency and accountability, improve governance and provide a solid foundation for a sustainable peace. Signed in September 2005, it was set up to respond to the continual mismanagement of state resources since the end of the conflict in 2003. It provided for internationally-recruited advisors to be posted in the key public offices, technical support with financial management systems, to capacity building and training programs greater transparency and accountability in government programs and institutions.

Agenda

Thursday, December 6th, 2007

09:00 – 09:20 **Conference Registration**
Location: The Kofi Annan International Peacekeeping Training Centre (KAIPTC)



H.E. High commissioner Darren Schemmer, High Commissioner of Canada to Ghana.

09:20 – 09:40 **Welcome and Opening Remarks**
Major General John Attipoe, Commandant, KAIPTC (Accra)
The High Commissioner, H.E. Darren Schemmer, High Commissioner of Canada to Ghana (Accra)
Mr. Hany Besada, Senior Researcher, CIGI (Waterloo)

09:40 – 12:00 **Session 1: Unsolved Political and Economic Dilemmas Facing Côte D'Ivoire**
Although Côte d'Ivoire's contending political and military forces are taking tentative steps towards peace over the past months, Ivorian policy makers continue to address the conflict's underlying political and social causes. The resolution of the identification and citizenship crisis remains a critical component to the cessation of hostilities on which Côte d'Ivoire's fragile peace largely depends on. On another front, issues relating to the economic dependence on cash crops, particularly cocoa and the complicated electoral reforms threaten to derail its state building initiatives even further.

Keynote: *H.E. Ambassador Filiberto Ceriani Sebregondi*, Head of Delegation of the European Commission and Ambassador to the Republics of Ghana and Congo (Accra)

Chair: *Ms. Marguerite Yolibi*, National Coordinator, West Africa Network for Peacebuilding in Côte d'Ivoire (WANEP-CI) (Abidjan)

Presentation: *Mr. Inza Diomande*, Coordinator of the Regional Offices, Programme National de Reinsertion ET de Rehabilitation Communautaire (Abidjan)
A look at the DDR process in Côte d'Ivoire

Dr. Gilles Olakounlé Yabi, Senior Analyst, West Africa Project, International Crisis Group (Dakar)
Unresolved Political and Economic Dilemmas Facing Côte d'Ivoire

Panel: *Prof. Francis Akindès*, Professor of Economic and Political Sociology, Université de Bouaké (Abidjan)
Peace Building and Electoral Reform in Côte d'Ivoire

Dr. Willene A. Johnson, President, Komaza Inc (Mc Kenny, Virginia)
The Role of the Private Sector in the Ivorian Economy: Challenges and Opportunities

12:00 – 13:30 Lunch

13:30 – 15:00 **Session 2: Foreign Investors and Donor Communities' Response to Côte D'Ivoire's State Building Efforts**

An analysis of how foreign investors and donors could contribute to Côte d'Ivoire's state building process. In particular, examining to what extent can the both communities could contribute to better enabling business environment in the country.

Chair: *Mr. Hany Besada*, Senior Researcher, CIGI (Waterloo)

Presentation: *Mr. Emmanuel Diarra*, Sr. Private and Financial Sector Operations Officer, The World Bank (Abidjan)
Foreign Investors and Donor Communities to Côte d'Ivoire's State Building Efforts

Panel: *Mr. Willem Jaspers*, Bonn International Center for Conversion & European Commission Kimberley Process Secretariat (Bonn)
A View from Multilateral Institutions

15:00 – 15:30 Break

15:30 – 17:30 **Session 3: Sierra Leone's Experience with Post-Conflict State Restoration**

Strengthening democratic institutions of governance is a crucial prerequisite for state building. Support for it critical as Sierra Leone prepares for post conflict general elections in the

near future. State building in Sierra Leone requires sustained efforts across a broad spectrum of political commitments. The international community has a role to play in ensuring adequate level of external support in terms of foreign aid and technical assistance are reached to help strengthen the government's state institutions and its commitment to human rights, broad based economic development and democracy.

Keynote: *Dr. Sunday Ochoche*, Senior Political Affairs Officer, United Nations Integrated Office in Sierra Leone (UNIOSIL) (Freetown)
UNIOSIL Mission in Sierra Leone

Chair: *Prof. Ekundayo J.D. Thompson*, Director of the Directorate of Planning, Research and Development, Njala University (Freetown)

Presentation: *Dr. Osman Gbla*, Dean of the Faculty of Social Sciences and Law, Fourah Bay College, Sierra Leone University (Freetown)
The Role of the Private Sector in Policy Decisions Regarding the Utilization of Resource Revenues for Broad-based Sustainable Economic Growth in Sierra Leone.

Panel: *Mr. Ozomnia Ojielo*, Senior Governance Advisor and Head of the Governance Programme, UNDP; Former Head of Sierra Leone's Truth and Reconciliation Commission (Accra)
An Assessment of Sierra Leone's Peace and Reconciliation Process

Lansana Gberie, Research Associate, Laurier Centre for Military Strategic and Disarmament Studies (Waterloo)
Limitations of Current Approaches to Aid Instruments and Understanding their Usage in Sierra Leone

17:30 – 19:30 Sessions Break until Dinner

19:30 Dinner (Buka Fine African Restaurant)

Chair: *Mr. Jonathan Coppel*, Executive Programme Manager of the NEPAD-OECD Africa Investment Initiative (Paris)

Presentation: *Prof. Emmanuel Nnadozie*, Senior Economist and Chief, UN Coordination Unit for AU/NEPAD Support, United Nations Economic Commission for Africa (UNECA)

Contributor: *Ms Siham Abdulmelik*, NEPAD Support Section (Addis Ababa)
The Role of the Private Sector in Sierra Leone Post-Conflict Economic Recovery

Panel: *Mr. Andrew K. Keili*, Managing Director, CEMMATS Group Ltd (Freetown)
The Role of the Privatization Program as a Catalyst for Economic Reform in Sierra Leone

Mr. Peter Donelan, Economist, Poverty & Human Development Unit, UNDP (Freetown)
The Role of the Private Sector in Policy Decisions Regarding the Utilization of Resource Revenues for Broad-Based Sustainable Economic Growth

10:30 – 11:00 Break



Mr. Hany Besada, Senior Researcher, Centre for International Governance Innovation (CIGI), Waterloo.

Friday, December 7th, 2007

08:30 – 09:00 Conference Registration

09:00 – 10:30 **Session 4: The Role of the Private Sector in Sierra Leone's Post-Conflict Economic Recovery**

Despite its extensive mineral and agricultural resources, Sierra Leone continues to be an impoverished state. Years of civil war and subsequent hostilities have seriously undermined economic activity. This session examines how the private sector can assist government in effectively utilizing natural resource revenues to support broad-based sustainable economic growth in Sierra Leone.

11:00 – 13:00 **Session 5: State Building Efforts in Post-Conflict Liberia**

This session will provide an overview of the major topics in Liberia's peace building efforts, with a view to maintaining international support and interest in Liberia to ensure a durable peace following the election of the country's democratically elected president in November 2005.

Keynote: *Mr. Andrea Tamagnini*, Director of Reintegration, Rehabilitation and Recovery, United Nations Mission in Liberia (UNMIL) (Monrovia) UNMIL Mission in Liberia

Chair: *Ms. Ariane Goetz*, Hertie School of Governance (Berlin)



Conference participants gather for a group picture.

Presentation: *H.E. Ambassador Milton Nathaniel Barnes*, Liberia's Ambassador and Permanent Representative to the UN (Washington D.C)
State Building Efforts in Post-Conflict Liberia

Panel: *Dr. Thomas Jaye*, Senior Research Fellow, KAIPTC (Accra)
Security Sector Reform and Disarmament in Liberia

Dr. Emmanuel Kwesi Aning, Head of Conflict Prevention Management and Resolution Department, KAIPTC (Accra)
Strengthening Democratic Institutions and Good Governance Principles

13:00 – 14:00 Lunch

14:00 – 15:30 **Session 6: The Role of the Private Sector in Promoting Pro-Growth Policies in Liberia**

A look at the transformation of the private sector from a vehicle of social friction and exploitation of state resources during the civil conflict during the 1990s to a medium that can strengthen state and state-society relations. An examination of the condition under which the private sector can contribute to the state building process through its investment of human capital, the fostering growth and employment and promotion of accountability in

government in government-society relations.

Chair: *Mr. Hany Besada*, Senior Researcher, CIGI (Waterloo)

Presentation: *Dr. David Bridgman*, Lead Private Sector Development Specialist, Investment Climate Team for Africa, The World Bank (Johannesburg)
The Role of the Private Sector in Promoting Pro-Growth Policies in Liberia

Panel: *Mr. Gengezi Mgidlana*, Special Advisor to the CEO, NEPAD Secretariat (Johannesburg)
A Look at What NEPAD/AU Structures can Provide in Support of National Initiatives in Liberia, but most importantly across Africa

15:30 – 16:00

Summary and Closing

Mr. Nicky Moyo, Director, Development Enterprise Research Trust (Harare)

Who We Are

The Centre for International Governance Innovation is a Canadian-based, independent, nonpartisan think tank that addresses international governance challenges. Led by a group of experienced practitioners and distinguished academics, CIGI supports research, forms networks, advances policy debate, builds capacity, and generates ideas for multilateral governance improvements. Conducting an active agenda of research, events, and publications, CIGI's interdisciplinary work includes collaboration with policy, business and academic communities around the world.

CIGI's work is organized into six broad issue areas: shifting global power; environment and resources; health and social governance; trade and finance; international law, institutions and diplomacy; and global and human security. Research is spearheaded by CIGI's distinguished fellows who comprise leading economists and political scientists with rich international experience and policy expertise.

CIGI has also developed IGLOO™ (International Governance Leaders and Organizations Online). IGLOO is an online network that facilitates knowledge exchange between individuals and organizations studying, working or advising on global issues. Thousands of researchers, practitioners, educators and students use IGLOO to connect, share and exchange knowledge regardless of social, political and geographical boundaries.

CIGI was founded in 2002 by Jim Balsillie, co-CEO of RIM (Research In Motion), and collaborates with and gratefully acknowledges support from a number of strategic partners, in particular the Government of Canada and the Government of Ontario. CIGI gratefully acknowledges the contribution of the Government of Canada to its endowment Fund.

Le CIGI a été fondé en 2002 par Jim Balsillie, co-chef de la direction de RIM (Research In Motion). Il collabore avec de nombreux partenaires stratégiques et exprime sa reconnaissance du soutien reçu de ceux-ci, notamment de l'appui reçu du gouvernement du Canada et de celui du gouvernement de l'Ontario. Le CIGI exprime sa reconnaissance envers le gouvernement du Canada pour sa contribution à son Fonds de dotation.

The opinions expressed in this paper are those of the author and do not necessarily reflect the views of The Centre for International Governance Innovation or its Board of Directors and /or Board of Governors.



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