The current intensification of mining activities, commercialisation of significant land areas, and undertaking of large infrastructure projects in fragile environments is leading to increased and often violent conflict at the local level. With development, peacebuilding and investment agendas at risk, there is a clear imperative for action.

This paper builds the conceptual foundation for an action framework for conflict prevention in the context of large scale business investments in fragile environments. The framework targets multi-sectoral and multi-layered approaches to conflict prevention and risk mitigation; better uptake of the shared responsibilities but differentiated roles of business, government, and development actors; and the building of prevention capabilities.

The framework proposes neutral spaces for dialogue and information sharing across actors and sectors; locally-sourced intelligence in support of policy development and intervention planning; networks that connect local spaces at the national or international level; and an international strategic focal point to facilitate international accompaniment of local efforts as elements to be creatively adapted to a specific setting.

Intensified prevention efforts save lives and money. Successful risk mitigation means fewer people hurt or killed, fewer livelihoods destroyed and fewer operational disruptions. It accelerates achievement of development goals, the recovery of investments, and the realization of benefits to communities. It helps keep the promise of private sector investment as a foundation for stability, inclusive development, and economic growth, even in the world’s most fragile environments.
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1. Introduction: An Imperative for Action

This paper advances a framework for effective multi-stakeholder action on conflict prevention in the context of large-scale investment in fragile environments. Business investments often create stresses at the community level and also present conflict triggers for broader political, economic, social, and ecological systems. Building from an understanding that the challenge is much broader than the actions or inactions of private enterprises, the framework targets multi-sectoral and multi-layered approaches to risk mitigation. Action is required to catalyse better uptake of the shared responsibilities but differentiated roles of actors engaged in a specific context to mitigate risks and prevent conflict. Action is also required to build capacities to implement multi-sectoral and multi-layered approaches. Such capacities include, for instance, neutral convening facilities on the ground; networking mechanisms that connect local efforts to national and international levels; and effective international accompaniment of local initiatives.

The paper is the capstone of a multi-stakeholder process that over the last twelve months has taken stock, identified gaps, and proposed solutions. The process convened three retreats and otherwise engaged over 100 representatives from business, business associations, trade unions, government, the United Nations, civil society, and academia. Participants came from organizations ranging from the local to the international, and from players large and small. They cut across sectors and geographic contexts. The paper also draws from direct observations of conflict and conflict prevention efforts in the context of business investments in Colombia, Ghana, Uganda, and South Africa; interviews with over 50 company managers with operational experience in fragile environments; secondary research; and stakeholder consultations in London and Geneva.

The picture of large-scale investment in fragile environments that emerged from this process is disturbing. It reveals an increase in destructive conflict and the risk to strategic development and governance agendas from such conflict. It reveals the absence of capabilities across corporate, government, and international sectors to effectively identify risks, mitigate stresses or prevent conflict and violence around large scale business investments. It reveals a shortage of strategies to operationalize engagements in fragile environments across sectors and institutions. Fundamentally, the promise of private sector investment as a foundation for stability and inclusive development is largely un-kept in post-conflict and other fragile environments. Taken as a whole, large-scale investments in the extractive industries, commercial agriculture and infrastructure are more likely to cause or exacerbate conflict than they are to contribute to its resolution.

The multi-stakeholder process at the same time highlighted potential solutions that give grounds for optimism. There is growing convergence around understandings that proactive, multi-layered, multi-sectoral, and locally-rooted initiatives represent the most promising practice for lasting conflict prevention and risk mitigation; that actors across the board require more context-sensitive analysis of fragile environments; that capabilities for preventive action on the ground and in headquarters are required to turn insight into action; and that collaborative action is required to tackle the stress factors and conflict dynamics in the context of large scale investment.

What results is an imperative for action which is described as an action framework in this paper. In essence, the action framework is an approach to multi-stakeholder engagement in specific contexts to promote action on risk mitigation and conflict prevention from the bottom up, supported through international accompaniment. It is composed of the following elements:

1. The term conflict is used in this paper to describe disagreements surrounding large-scale business investments that can lead to legal action, popular mobilisation, or violent responses. The term conflict prevention refers to the prevention of the loss of life and livelihoods but recognizes that conflict is part of human life and can – if constructively managed – be an essential ingredient to social advancement.

2. An action framework is understood to describe a model or a series of building blocks to facilitate systematic and consistent activities in specific settings. It is not a blueprint, but rather a collection of elements that can then be translated and adjusted to the specific contexts in which it is applied.
Facilities or spaces with a capacity to convene a variety of local actors: Such capacity supports relationship building, information gathering, joint analysis, collaborative planning, and collective monitoring across actors and sectors.

Context-specific risk management as the convening ground across institutions and sectors: The ability to collect, integrate and analyze local information about risks in ways useful to and digestible by a variety of constituencies, as well as the ability to introduce relevant learning from elsewhere into the local context, operationalize multi-sectoral engagement on the ground.

Multi-layered spaces: Conflict risk factors that are present locally are often reflections of broader tensions or stress factors in the system. Capacity to convene actors and share knowledge among various constellations of regional, national or international players present in specific contexts recognizes that these require multi-sectoral engagement at different levels.

Networking across contexts: A network connects local facilities to each other and to broader initiatives, improving the influence of local practice on research, promising practice development and policy, and accelerating the uptake of promising practices on the ground.

A strategic focal point to facilitate international accompaniment of local efforts: Such a focal point facilitates the support of local efforts in policy and programme development. It seeds conversations and catalyses action on the ground.

This paper builds the conceptual foundations of the action framework. It distills promising practices gathered during the multi-stakeholder process and interprets the current state of knowledge about the role of business in fragile environments. The paper first explores the case for a new action framework. The paper then reviews the practice trends in the broader peacebuilding field and provides perspectives on business engagement in fragile environments. The final section unpacks the main tenets of the action framework including an analysis of challenges and opportunities for its implementation.

2. From Companies to Systems: The Rationale for a New Action Framework

Over the past decade, the dominant focus for research and policy on private investment and conflict has been business behaviour in fragile environments. Practitioners, scholars and institutional actors focus on the predatory aspects of business in fragile environments (»business and conflict«), as well as on the need for private-sector engagement for jobs and security (»business and peace«).\(^4\) This has resulted in a substantial body of normative advice and regulatory frameworks for companies, with the hope of decreasing the negative impacts and increasing the positive potential of business. These frameworks include:

- Binding legal frameworks, such as the United Nations and Organization for Economic Cooperation and Development (OECD) conventions against corruption, as well as their soft-law cousins, such as the *Guiding Principles on Business and Human Rights*, or »Ruggie Principles.«\(^5\)

- Widely-referenced standards of conduct, such as the International Finance Corporation (IFC) performance standards and the OECD Guidelines for Multinational Enterprises and Fragile States Principles, as well as expert reports, such as the International Commission of Jurists’ expert panel report on corporate complicity in international crimes.

- Voluntary principles to which companies promise to adhere, such as the Voluntary Principles on Security and Human Rights and the Extractive Industries Transparency Initiative.

- Good practice frameworks, such as *Getting It Right: Making Corporate Community Relations Work*, growing out of decades of CDA Collaborative Learning Project’s research on Do No Harm and Corporate-Community Engagement.\(^6\)

These frameworks increase company sensitivity towards, and accountability for, its own actions in conflict-affected and fragile environments. The Ruggie Principles, for instance, emphasize the imperative that enterprises »act


with due diligence to avoid infringing on the rights of others and to address adverse impacts with which they are involved.«

Less well highlighted by these frameworks is business as one role player among many in a fragile context. A foreign company is only one additional outside interventer among others working to influence a specific context. It can also be a local actor impacted by socio-political factors beyond its control. No matter how ethical or effective business may be in managing its own operations, it cannot, by itself, prevent conflict or ensure a stable operating environment.

This leaves a gap in our understanding of how large-scale private sector investment fits into larger systems of conflict prevention and risk mitigation in fragile environments; and how government, development and peacebuilding actors can work together with business to meet their collective and individual goals. Conceptualizing business engagements in fragile environments as a bilateral business-community phenomenon fails to reflect the realities of the diversity of actors present in specific contexts. It is therefore necessary to move beyond bilateral perspectives on business in fragile environments to a focus on the shared responsibilities but differentiated roles of a range of actors in a specific complex environment.

Common ground among peacebuilding and business perspectives may be found in renewed attention to locally-rooted capabilities and systems. Both increasingly recognize that strong and resilient local actors are required to identify and mobilize appropriate responses to stress factors, tensions, and risks from whatever source. Whether the goal is characterized as a »stable operating environment« or »peace«, all actors share common questions in these contexts. The first is how best to strengthen dispute resolution and prevention capacities that better manage the overlapping, diverging and conflicting interests of communities, state authorities, and companies, as well as the multiple risks to which these interests are exposed. The second question is the role of various national and international actors in supporting such capacities and risk mitigation strategies.

Thus emerge action needs to strengthen conflict prevention and risk mitigation strategies. These action needs are to:

- Ensure more effective responses on the ground: There is a clear normative trend towards locally owned and driven – yet internationally embedded – development and peacebuilding efforts. But there is so far no corresponding effort to translate this normative trend into multi-sectoral, multi-layered action in specific contexts, including an understanding of the shared responsibilities but differentiated roles of different actors.

- Foster capabilities for preventive action and risk mitigation: Across institutions and sectors, there is a real need to more systematically strengthen the capabilities to more effectively respond to a variety of risks, including both natural and man-made hazards. Such a capabilities approach requires focus on individual skills, organization capabilities and cross-sectoral, inter-organizational mechanisms.

- Accelerate uptake of learning: The last decade has seen important advances in understanding about preventive action and risk mitigation. This learning emerged from multiple sectors, but promising practices are not well-shared between sectors or even among actors within sectors.

Urgent action is required. Business engagement in fragile environments is increasing in scale and scope, particularly in the extractive, agriculture, and infrastructure sectors. One industry study, for instance, points out that »mining has moved from developed to emerging economies« and that »in recent years huge investments have taken place in Latin America, Africa, and parts of Asia and these are likely to escalate in the next ten years«. These large-scale investments can both exacerbate existing

7. See for instance the New Deal for Engagement in Fragile States, the Busan Partnership for Effective Development Cooperation, the International Dialogue on Peacebuilding and Statebuilding, as well as the formation of the g7+ – a group of 17 countries that consider themselves »fragile« and that have united their voices to establish a dialogue with their international partners.


stress factors and create new risks in already fragile and conflict-prone environments.

Another study reports that 1,217 land deals have been made in developing countries since 2000, amounting to 83.2 million hectares, or roughly equivalent to the combined land surface of France and Italy. The study also notes that approximately 45% of the total land deals target cropland or crop-vegetation mosaics. Intensive competition for cropland with local communities is therefore likely.

Moreover, land deals occur in the context of non-existent or dysfunctional land tenure systems and involve government complicity to sell land occupied by smallholders. They are also highly concentrated in fragile environments: Sudan, Ethiopia, Mozambique, Tanzania, Madagascar, Zambia, the Democratic Republic of the Congo, the Philippines, Indonesia, and Laos, among the most prominent. The occurrence of conflict around diminishing pools of renewable resources, such as land and water, is also likely to increase in the next decade, a trend which is itself compounded by environmental degradation, population growth, and climate change.

Considering these figures, we can predict that the intensification of mining activities, the commercialisation of large land areas, and the undertaking of large infrastructure projects will lead to rising conflict at the local level in the years ahead. Because we understand which environments are fragile, and since investment trends are well known, we know where conflicts are likely and we know the communities that will be affected. We also know that when these conflicts occur the great majority of company managers, mission staff, or government personnel will be unprepared to manage or diffuse the conflict. We know that integrated systems for risk identification and conflict management will in most all cases not be in place.

Without a more significant effort on conflict prevention, the achievement of important strategic objectives of a broad range of actors will be at risk. These include a government’s revenue and development plans, a company’s operational continuity and reputation, civil society agendas for good governance and human rights, and international agendas for peace and security. Most directly, inaction on risk mitigation and conflict prevent places at risk community health, security, environmental integrity and sustainable development.

The preventive approach outlined in the action framework is an effort to help provide immediate support for the achievement of important strategic objectives. Structural factors related to root causes of fragility in such environments must of course be addressed. But the long-term strategies needed to act on structural factors are unlikely to address immediate risks as governments, businesses, and even some communities demand the benefits of private sector investment. In this context the call is for practical, locally-implementable mechanisms that facilitate understanding of conflict dynamics and stress factors related to large-scale investments, and translate these into preventive action and risk mitigation despite the fragility of the environment.

3. Promising Practice: Salient Trends in the Broader Peacebuilding Field

Recent years have seen significant innovation in the prevention of violent conflict, armed violence reduction, and dispute resolution. These practical experiences relate to a whole series of different types of violence and violent contexts which in themselves illustrate how our understanding of the violent conflict has evolved in recent years. Publications such as the World Development Report 2011, the Global Burden of Armed Violence, and multiple editions of the Human Security Report have contributed to a much more diverse understanding of the nature of violent conflict that went beyond what the concept of ‘inter- or intra-state armed conflict’ was able to capture.

The most tangible example of the changing characteristics of violent conflict is that only 1 out of every 10 reported violent deaths occur in traditionally defined armed conflict settings.

This section sets out the broader trends and innovative practices in dispute resolution systems, analytical capa-


12. Ibid., p.vii.


bilities, and policy action networks that may have more direct relevance to risk identification, risk mitigation, and conflict prevention in the investment sphere.

3.1 The Prevention of Violent Conflict

A review of recent practice trends highlights indigenous responses to known tensions or stress factors as enabled by local networks and institutions. Whether looking at the recent practical experience surrounding the prevention of major armed conflict, civil war, or election violence, common themes emerge. These are:

- The prevention of violent conflict is a profoundly local effort that involves existing national or sub-national actors, networks, or institutions; but the local effort is embedded in an international context and activities.

- Interventions or programmes with lasting prevention effects are multi-layered, multi-sectoral, and as broadly owned as possible. This is because potentially violent tensions or on-going violence are increasingly insusceptible to one-time external mediation or local conflict resolution.

- Prevention occurs along the entire timeline of instability, conflict management, crisis management, peacemaking, peacekeeping and peacebuilding.

- Prevention requires the work or support of all actors, local and international, that have a bearing on a specific context. It cannot be delegated to any single actor.

- Prevention is inherently cross cutting, with many modalities intersecting with security, development, peacebuilding and statebuilding.

Prevention efforts must address a range of situations that are not part of traditional armed conflict prevention. According to one analyst these situations include:

- violent instability as a result of the impact of local and cross-border organized crime; urban violence, as the pace of urbanization continues to accelerate; deep and rapid political change as societies transform themselves after decades of stasis; violent conflict arising from deep, long term divisions, often based on longstanding issues such as land disputes, and often exacerbated by political rivalries; the negative impact on fragile governments of a growing list of external stress factors, from the continuing economic crisis to the effects of climate change; distortion of local priorities driven by the perceived security needs of other actors.

Such diverse and turbulent situations are often enough encountered in the context of large-scale investments in fragile environments. They forcefully illustrate the limits of one-time external mediation efforts, and underline the importance of building local capacities for dispute resolution and prevention.

3.2 Infrastructures for Peace

Infrastructures for peace have been defined as a dynamic network of interdependent structures, mechanisms, resources, values, and skills which, through dialogue and consultation, contribute to conflict prevention and peace-building in a society. Such infrastructures constitute a society's collaborative capacity to facilitate finding internal solutions to disputes through multi-stakeholder dialogue. Underlying to infrastructures for peace is a cooperative, inclusive, problem-solving approach to conflict based on dialogue and mediation.

At the same time, infrastructures for peace represent pragmatic mechanisms for catalysing action. While different in their manifestation in specific contexts, components of infrastructures for peace include:

15. Ganson and Wennmann, Operationalizing Conflict Prevention as Strong, Resilient Systems, pp.3-5.
National, district and local peace councils comprised of trusted and highly respected persons of integrity who can bridge political divides, acting as inclusive forums to promote mutual understanding, build trust, solve problems, and prevent violence;¹⁹

Institutionalized platforms for consultation, collaboration and coordination of peace issues, such as a government bureau, department or ministry of peacebuilding;

Legislative measures to create an infrastructure for peace with appropriate resources;

Capacitation of national peacebuilding institutions, related government departments, peace councils and relevant groups of civil society actors; and

Context-appropriate methodologies for dispute resolution.²⁰

Infrastructures for peace thus place local peace committees into a national and coordinated framework that connects various levels of state and society in support of conflict management and prevention.

Infrastructures for peace draw to a large extent on the experience of South Africa’s National Peace Secretariat, established to supervise the implementation of the 1991 Peace Accord. This secretariat established eleven regional and more than 260 local peace committees uniting representatives from political organizations, trade unions, business, churches, police and security forces. Beyond South Africa, infrastructures of peace can be observed in Ghana (institutionalized as National Architecture for Peace), Kenya (Network of National Peace Committees), and Togo (drawing on Ghana’s experience). Most of these efforts emerged as nationally driven initiatives that later received donor support. None was an externally conceived or delivered product. Ownership by a core group of societal stakeholders was key to ensuring success.

The real prevention effects in South Africa, Ghana, and Kenya, and an emerging evidence base in other places, suggest that infrastructures for peace offer a promising framework to strengthen prevention capacities in fragile environments. Providing a counterbalance to a decade or more where international attention has focused on elite agreements as the principle means of ending violence and consolidating peace, they are also part of an emerging trend to emphasize the multi-layered nature of peacebuilding. Infrastructures for peace represent an operational tool to multiply and link conflict prevention spaces. They may perform similar roles in the context of large scale investment in fragile environments.

3.3 Armed Violence Reduction and Prevention and Local Observatories

In the practice on armed violence reduction and prevention (AVRP), a similarly positive trend can be observed. Drawing on the experience of Colombia, Brazil, and South Africa, among others, and on interventions from diverse sectors including public health, law enforcement, or neighbourhood mobilisation, it is reasonable to conclude that targeted investments and development strategies can reduce and prevent armed violence. One well-known case in this field is a programme driven by the municipality of Medellín – the Programme for the Prevention of Violence in the Medellín Metropolitan Area (PREVIA) – that achieved a 90 per cent drop in homicide rates from 1991 to 2006. Twenty-one well-documented practice examples covering a great variety of different types of violence, contexts, and interventions. The scale and scope of AVRP initiatives is illustrated by one study that surveys 219 AVRP initiatives in Colombia alone, and 179 initiatives in Brazil.²³

AVRP programmes exhibit a tremendous diversity, dynamism, entrepreneurship, and social innovation. At the same time, they share a number of common features. These include:

Creative adaptation of conflict, crime, and armed violence prevention approaches to specific contexts;

A focus on the local level because this is where armed violence is experienced most directly, and where existing evidence suggests that the most promising efforts have occurred;

A focus on the mitigation of regional and global risk factors that impact on local dynamics; and

National level efforts that help ensure the sustainability of local prevention efforts, in particular ensuring learning across local settings, developing a vision of AVRP across different Institutions and sectors, and helping prioritisation and coordination.24

One review of promising practice highlights that: »The most promising AVRP programmes are those that bring together a range of violence prevention and reduction strategies across a number of sectors and purposefully target the key risk factors that give rise to armed violence (…) [and that] integrate AVRP objectives and actions into regional, national, and sub-national development plans and programmes.«25 Thus AVRP programmes clearly emphasize the importance of proactive, multi-layered, multi-sectoral, and locally rooted prevention efforts. AVRP also highlights the importance of diagnosis and analysis of the scope, distributions, and dynamics of violence. Such diagnosis can be inherently challenging given the multiple faces of armed violence which can include the »multiple simultaneous, and shifting motivations of violent actors, and the links between different forms of violence« – organized (collective) or interpersonal (individual) violence, and conflict (politically motivated) and criminal (economically motivated) violence.26

3.4 Observatories

Violence is not the only stress factor faced, either in urban environments or in the context of large-scale investments. One way of addressing the challenge of gathering and analysing intensely context sensitive intelligence has been the establishment of so-called observatories.27 Observatories are mechanisms, networks or institutions that monitor a specific development, such as armed violence, disasters, or the quality of life. Observatories can generate data, provide analysis, or give advice to decision-makers. They are widely used, especially in Latin America, and are well developed in the field of disaster risk reduction. Observatories in the field of armed violence reduction and prevention have specifically focused on collecting data and analyses on homicides and crime. In the field of conflict prevention, observatories have largely focused on early warning systems. In criminology, various cities have set up Crime Observatories; and in public health, observatories have involved the establishment of injury surveillance systems. Observatories thus strengthen evidence-based policy making.

Observatories also face real challenges. An analysis of armed violence monitoring systems (AVMS) in Colombia, Jamaica, South Africa, Sudan, and the United Kingdom highlights that quality data is an indispensable ingredient for concrete programmes on the ground, but that its collection can be difficult in a conflict-affected setting due to risks for data collectors, a weak or absent government, and lack of skills. Powerful stakeholders may also seek to manipulate or control the data generation and analysis in their own interest. Even when functioning well, observatories may be immersed in their own reality and lack any strategy of communicating or sharing what they do, apart from serving very specific objectives.

An observatory may overcome these challenges at least in part because of its capacity to bring together different stakeholders around questions of what is and what it may mean. This improves the quality of intelligence, analysis and multi-sectoral responses. It creates real opportunities to use observatories as a strategic catalyst for a fragile environment:

- To commence and drive a discussion at the city, district, or national level about the need for better data for monitoring and policy making;
- To pool together professionals in data generation and analysis within a country;

24. OECD, Armed Violence Reduction, p. 17.
To serve as connecting point for a variety of actors, exploring which data is needed and can be made available in a specific setting; and

To bring together and analyse ›situational intelligence‹ that represents an enormous knowledge base on conflict drivers and stress factors.

In sum, observatories are an institutionalisation of efforts to source data and analysis locally. Peacebuilding organisations have for some time emphasized the importance of analysis by local actors, often in an interactive and iterative process. Observatories can additionally represent a focal point for on-going monitoring and evaluation to help improve accounting for conflict prevention results – an issue that all actors are struggling with, including those preoccupied with business investment in fragile environments.

3.5 Multi-layered, Multi-sectoral, and Broadly Owned Processes

Recent practice in the broader peacebuilding field has evident salience to questions of large-scale investment in fragile environments. It highlights most strongly that conflict prevention is more effective if it is multi-layered (involving coordinated action at local, national and international levels); multi-sectoral (drawing on comparative strengths of various state and non-state actors); and broadly owned (i.e. not dominated by or delegated to any single actor).

The challenges of such approaches must also be noted by those hoping to bridge risk mitigation and conflict prevention gaps in the investment context. Prevention practice has become significantly more diverse over the last decade. As a result, ad-hoc responses to imminent tensions are often enough disconnected from longer term programming efforts. Local prevention efforts may not be networked ›upward‹ to national, regional, and international initiatives. Increasing this connectedness is a well-known challenge and much needs to be done to address it systematically. The OECD Fragile States Principles Barometer, for instance, notes that donor commitments to implement ›do no harm‹ and to ›agree on practical co-ordination mechanisms between international actors‹ are ›off track.‹ This is one sign that international actors have not yet fully adapted to the complexities of the contemporary prevention challenge. In addition to human resource development, it appears necessary to build stronger systems and processes within and across organisations.

4. Business Engagement in Fragile Environments: Convergence and Opportunity

The potential for the private sector to contribute to conflict prevention is rising on the international agenda. Investments that facilitate employment growth, skills development, and a more inclusive economy are not only valuable in their own right. As explored in the World Development Report 2011, they also reduce socio-political tensions in ways that help create space for consensus-building on security, civil and economic rights, good government, and other issues critical to stability and development. The New Deal for Engagement in Fragile States articulates that the generation of employment and the improvement of livelihoods is one of five peacebuilding and statebuilding goals, and thereby opening a door for private sector actors into a formal peacebuilding and development framework. Drawing on these and other inspirations, the 2012 report of the UNSG on Peacebuilding in the Aftermath of Conflict calls for ›the private sector and peacebuilding actors to deepen their interaction‹, and for the engagement with ›foundations and the private sector and encourage these actors to contribute to peacebuilding processes‹.

Given this emphasis, it is remarkable that business remains disconnected from the great majority of prevention practice by peacebuilding and development actors. Municipal AVRP initiatives do sometimes include local business as a core partner. In the prevention of violent conflict by United Nations agencies and departments as well as many NGOs, however, business is mainly absent. Despite their many practical and policy overlaps, discourse on conflict prevention by government, development, and peacebuilding actors on one hand, and private sector actors and those who seek to regulate them on the other, appear to have developed largely in parallel.

The task remains, therefore, to generate the actionable insight and advice required for effective business engagement as a proactive force for peacebuilding and inclusive growth. To meet conflict prevention needs where business operates in fragile environments, there is compelling value to situating company-centred frameworks for action within a multi-sectoral, multi-layered action framework that builds on the strengths of business, peacebuilding and local actors. As outlined below, this is consistent with directions leading private actors are already beginning to take.

4.1 Business Attitudes in Fragile Environments

Business is no stranger to difficult markets. Companies large and small, local and international are present in some of the most violent and difficult markets in the world.

Armed violence is just one of a range of factors that inform business decisions to operate in a specific market. Other factors can include the quality of the national legal framework, banking sector, and justice system, as well as the compatibility between the commercial objectives of the investor and the geography or geology of a country and the skills of its workforce. For mainstream investment projects, it is therefore not necessarily the end of the conflict or the reduction of armed violence, but rather the presence of a functioning state and other location specific factors which define a willingness to invest. This is underlined in company emphasis on a stable operating environment. Critical to the attitude of companies in fragile environments is the degree of direct exposure to risk. The perception of armed violence, for example, depends largely on its sub-national distribution. If a company has its main activity in the capital but most armed violence takes place in remote areas, such violence has little effect on business operations.

In their operations in fragile environments, companies have mainly adjusted their operations to work around, in, or on fragile environments or conflict. Most mainstream companies work around the fragile environment, which means that they withdraw or temporarily cease activities in recognition of political and security risks. Sectors particularly affected by armed violence and conflict are tourism, retail, transport, distribution and storage businesses. However, companies can be hesitant to withdraw, as this represents an opportunity for a competitor. This substitutability of commercial actors has been used to argue that it is important for companies with a generally reputable record to stay on in fragile environments, because the alternative would be an open door to those with fewer social scruples.

Companies can decide to work in a fragile environment and attempt to minimize the effect of the conflict on their operations. For bigger companies, this often means paying for protection from private military companies – or in company language, opting for securitized risk management. Small and medium sized companies are unable to afford protection or spread risks in the same way as large investors can. The fact that companies adjust emphasizes the resilience capacity of entrepreneurs and business leaders in fragile environments, especially local and national companies that have to live with prevailing conditions.

Business can also work on a particular conflict. Former UNSG Kofi Annan highlighted that the private sector has a real stake in conflict resolutions for its own interests: After all, companies require a stable environment in order to conduct their operations and minimize their risks. Their reputations (…) depend not just on what product or service is provided, but how it is provided. And their bottom lines can no longer be separated from some of the key goals of the United Nations: peace, development and equity. Guidance on conflict-sensitive business practice encourages companies to look beyond their own externalities, and begin thinking more creatively about understanding and minimizing conflict risk and actively contributing to peace.

The private sector has in fact been involved in many different forms to support peace processes, though such engagement may be the exception rather than the rule. Where companies have been involved, specific roles in-

clude building bridges between different communities and between state and society, engaging directly in talks with belligerents, providing good offices and information, acting as pro-peace constituencies, contributing financial resources for peace processes, assisting in the delivery of humanitarian assistance, strengthening entrepreneurship, building trust, fostering accountability, and limiting access to conflict financing.\textsuperscript{34}

Even if companies do not find themselves in active peacebuilding roles, it is safe to conclude that, at least at the level of corporate policy, most global companies active in fragile environments acknowledge that it is in their best interest to manage their own operations in ways that help prevent conflict. This is reflected in an ever-growing opus of voluntary and multi-stakeholder initiatives. Furthermore, company leaders recognize that they are stakeholders in broader efforts to promote long-term socio-political stability, and that this requires a developed capacity to work locally with both public officials and the communities impacted by their operations.

4.2 Corporate Capacities for Conflict Prevention

Despite such recognition, a critical missing link for systematic risk mitigation and conflict prevention is individual and organizational capability building. Evidence strongly indicates a large gap in many organizations between their prevention capabilities and the conflict risks they face. Informed observers indicate that this is likely as true for government and development agencies as for corporate actors, but the evidence for companies is better developed.\textsuperscript{35}

Mary Anderson reminds us that, at least for outside interveners, »peace is not an area for amateurs.«\textsuperscript{36} Many senior leaders agree with Anderson’s assessment that the required capabilities are not common, everyday skills in the halls of business. Nor are the requisite corporate systems and processes for internal alignment with a broad range of stakeholders in a complex environment typically easy to put into place. Even companies that intend to contribute to conflict prevention in their areas of operation may be lacking in critical conflict prevention capacities:

- Individual skills: Productive attitudes, perceptions, behaviours, and skills that must reside within different functions of the organization, including general management, functions with specific responsibilities for assessing, preventing and managing conflict with governments, communities, and labour, and other functions that represent the visible face of the organization.

- Organizational systems and processes: Even skilled individuals are either enabled or constrained by an organization that is, for example, more or less competent in incorporating potential conflict drivers into operational planning. Conflict prevention requires company systems and processes that anticipate and recognize potential conflict, as well as calibrate and mobilize response to it.

- Inter-organisational mechanisms: The company’s actions in turn take place in the context of external relationships. Preventing conflict in a complex stakeholder environment requires effective mechanisms, for example, to engage angry parties, solve problems under threat of conflict, implement interdependent actions and monitor progress under reduced trust, and resolve disputes that inevitably arise.

To achieve its objectives, it seems increasingly clear that a company must treat conflict prevention more like management of health, safety or the environment within the company, ensuring that core operating plans reflect conflict risks and mitigation strategies. When the system is working well, formal decision points built into the project management process allow managers to consider financial and technical performance as well as socio-political risks side by side, preferably before major financial commitments have been made. This avoids the problem, for example, of multi-million dollar equipment rental contracts being entered into before stakeholder analysis uncovers compelling reasons for project delay, creating pressure to move forward despite conflict risks. At the


\textsuperscript{35} This finding is based on over 50 interviews with company managers. See Ganson, Business and Conflict Prevention.

same time, understanding and discussion are broadened within the company regarding its potential positive and negative roles in a fragile environment. When the system is not working well, compliance mechanisms within the company must be adequately robust to proactively identify gaps and ensure performance against plan.

Good will to «do no harm» among company managers is insufficient; good business practice related to risk mitigation and conflict prevention must be made systematic throughout the company. At present – and mirroring practice challenges among donors and United Nations agencies – there is little consistency of engagement patterns among different companies in fragile environments, or even across the many operations of a single global company. Greater due diligence may be called for by companies themselves and by institutional investors, project finance lenders, insurers, or governments concerned with company performance.

4.3 Private Sector Approaches to Prevention

Where adequate investments have been made and capability gaps overcome, corporate experience to some extent mirrors the increasing conflict prevention focus among other actors on strong local networks and institutions. Companies may focus on social investment, dispute resolution mechanisms, or social engagement and consent more broadly in their risk mitigation and conflict prevention efforts.

A company will likely focus on prevention in the first instance because it directly benefits from a stable operating environment. Corporate discussions of «political risk management» – that is, preventing possible negative impact on the business from geopolitics, socio-political developments, government action, or conflict with local communities – may seem foreign to government and NGO actors. But this may be largely a problem of lexicon. Increasingly international scrutiny of company behaviour by media, socially responsible investors, civil society actors, and others also serves to keep conflict prevention on company board and senior management agendas.

Traditional approaches illustrate the limits of trying to buy peace. Company engagement with local communities is often associated with paternalistic provision of services, putting the company in the business, for example, of running schools or health clinics. From a company perspective, this invites increasing community demands and creates perverse incentives among local actors to be the wheel that squeaks loudest and therefore receives the most grease. From a prevention perspective, the company risks undermining the development of indigenous capacity to build consensus, plan, deliver services, and resolve disputes.

More recent approaches attempt to empower communities through shared ownership of the social investment process. The practice of negotiating community development agreements is common. A company may enter into a memorandum of understanding, for example, that provides a multi-stakeholder forum controlled by the community itself with multi-year financing to pursue its own agenda with its own partners of choice. It may be difficult for companies to transition to local decision-making systems that they do not control, but results appear to be encouraging.

Companies are increasingly keen to get out of cycles of disputes and grievances. Sustainable development pacts may include joint monitoring of environmental performance and impact, helping establish a common fact base and identifying problems before they become conflicts. Extensive case analysis and practice reviews confirm that a safe place for dialogue and dispute resolution is important for both companies and communities. In part under the spotlight created by the Ruggie Principles, companies increasingly attempt to implement accessible grievance mechanisms.

Also congruent with broader conflict prevention developments is an evolving interest among businesses with operations in difficult places to widen their vision from «safe operations» to «safe communities». In practice this means expanding the focus on the safety of people, assets and operations directly linked to the company, to include broader investments in community capacities to respond to conflict and risk factors from whatever source. This shift can be partly attributed to the painful...
experiences of some companies in violent contexts, the costs and limitations of traditional security arrangements, and the quest for new strategies to make long term investments in conflict-prone, but emerging, economies more sustainable.

Companies’ practical experience is that they cannot control their operating environment. One company’s factory may be next door to another’s; an international company’s concession may be in the same area as artisanal miners operating in grey areas of the law. In urban areas, the general socio-political environment may be far more important than any action or inaction of any one investor. Foreign companies in particular may be painted with the same brush as those that came before them. Companies faced with such dilemmas increasingly work to position themselves as a member of the community – “a cog in the wheel” – rather than as the dominant force in the environment.

Corporate experience also underlines a more fundamental point: conflicts are not only disputes about contested land or water use, distribution of benefits, pollution, or health and safety. Rather, at their heart is also a struggle for control over the future vision for the community and the resources to implement it. The World Bank’s 2003 Extractive Industries Review concluded that “[m]any grievances from communities and especially from indigenous peoples living near extractive industries projects relate to their claims that their rights to participate in, influence, and share control over development initiatives, decisions, and resources are ignored.” 39 Over the last decade, ensuring “community consent” has become a formal requirement of multiple instruments such as by the “the broad community support standard” of the International Finance Corporation (IFC) following the 2007 United Nations Declaration on the Rights of Indigenous Peoples, or as a more general condition of stable operations as characterized by the United Nations Global Compact launched in 1999.

The move from consultation to participation in decision-making proves important for predictable and sustainable company-community relations. One study of consent processes in Peru reaches the conclusion that “durable agreements cannot be reached unless companies and communities have the capacity to engage in meaningful consultations (…) [and that] consultations must be part of consent processes in which companies relinquish some measure of control over decision-making.” 40 This is because communities must believe that their consent is “enduring, enforceable, and meaningful in order to take companies and communities out of their current defensive positions.” 41 Such thinking leads more progressive companies to experiment with locating consultation and grievance processes within the community rather than within the company.

This cannot yet, however, be considered the norm. Many companies still struggle to develop meaningful grievance processes. Consultation may still be carried out through PowerPoint presentations and requests for comments, followed by decision-making behind closed doors. The ability of communities to enforce a requirement of consent – particularly where government is not supportive – remains weak.

While legitimate criticism can be directed at companies, it must also be recognized that in many difficult contexts companies face a dilemma. On one hand, public institutions may be too weak, indifferent or illegitimate to play their intended roles. In the case of Peru, “insufficient avenues for public participation and inadequate regulation led to frustration and violence on the part of communities,” while the “government’s failure to enforce its own laws requiring community consent led communities … to take matters into their own hands.” 42 On the other hand, progressive companies do not wish to fall back into paternalistic practices.

Where possible, companies have found some traction with approaches that support and develop government institutions at various levels. In South Africa, one labor grievance mechanism negotiated by growers and farm workers channels unresolved disputes to the Commission for Conciliation, Mediation and Arbitration, supporting rather than bypassing a government institution that, in the absence of such private solutions, can be over-


41. Ibid, p.69

42. Ibid., 116.
whelmed. In the Dominican Republic, Barrick Gold’s explicit goals included democratization within a national legal framework for decentralization and the development of municipal governance, which at the time of their intervention was a nascent yet unrealized vision.

In Peru, more progressive company actions lent support both to the Peruvian Ombudsman’s Office, and to the creation of a mediation commission within the Ministry of Energy and Mines.

In contexts of weaker or less willing governments – defining characteristics of fragile environments – preventive practice inside and outside of the corporate sector may suggest a need for carefully constructed hybrid spaces: officially recognized but independent, with neutral facilitation that allows government, business, communities and civil society to find common ground even as they play their distinctive roles. These can support dialogue and deliberation without usurping legitimate decision-making roles or undermining the long-term development of government.

5. Towards an Action Framework: Multi-sectoral and Multi-layered Approaches

Advances on conflict prevention, successes in peacebuilding practice, and emerging trends in business – community relations provide some confidence that solutions are possible for the challenges of conflict prevention in the context of large scale business investment in fragile environments. They therefore provide the foundation for a new action framework. That framework situates company action within a multi-sectoral, multi-layered approach that builds on the strengths of business, peacebuilding and local actors. It envisions structured, neutral spaces for information sharing, analysis, planning and monitoring linked across sectors and political levels.

The task remains to generate a workable process for effective conflict prevention across sectors and institutions.

To meet conflict prevention needs where business operates in fragile environments, the priorities are to:

- Identify the constituent elements of effective local capacity for conflict prevention and risk mitigation. Emerging peacebuilding strategies such as the infrastructures for peace or observatories may be drawn upon, but distinctive elements for large-scale investments must also be understood.

- Build consensus on the shared responsibilities but differentiated roles of international actors in nurturing and supporting local capacity. These actors must draw on strengths and maintain legitimacy in supporting conflict prevention capabilities, taking into account the long lead times for their development in fragile contexts.

- Identify the constituent elements of effective collaboration across sectors. Models are required for multi-sectoral, multi-layered and coordinated action, particularly where government may lack the capacity or legitimacy to play a leading role.

The new action framework emerges from the discussions, consultations and interviews surrounding a twelve-month multi-stakeholder process. It addresses most fundamentally the strengthening of the dispute resolution and prevention capacities of actors on the ground, as well as the respective roles of business and peacebuilding actors in doing so. It also queries the conflict prevention skills and capabilities required by corporate, governmental, and multilateral actors as they prepare for large scale investment.

5.1 Elements

The elements proposed in this section are intended to serve as an agenda for dialogue, rather than as a universal blueprint for action. To ensure context-appropriate implementation, they must be tested and creatively adapted by actors wishing to advance the action framework in a specific place.

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Facilities or Spaces With a Capacity to Convene a Variety of Local Actors

The tensions and stress factors caused or exacerbated by large scale investment require inclusive approaches. Fragile relationships, however, are a key characteristic of fragile environments. Mistrust leads parties to speak mostly with like-minded actors, keeping diverse and divergent voices from reaching decision makers. At the same time, necessary advocacy of legitimate interests by communities, government, business and civil society may be inconsistent with convening and facilitating, suggesting the need for a neutral role. A facility or institutionalized space supports relationship building, honest off the record discussion, information gathering, joint analysis, and collective monitoring across actors and sectors. To the extent that conflicting perceptions create tensions, information sharing and joint learning are already useful tools for aligning expectations and reducing conflict.

While intended as a catalyst for action, the facility is not a decision-making forum. All the same, what often emerges is common understanding that conflicts, tensions and stress factors can more effectively be addressed collaboratively. Community-based monitoring systems might support the environmental regulatory authority; local conflict resolution mechanisms might help manage grievances that, whether or not tied to company operations, end up in front of their gates. The facility provides for the dialogue and deliberation that are the foundation of collaborative planning, effective decision-making, and calls to action.

Context-specific Risk Management as the Convening Ground Across Institutions and Sectors

As much as diverse parties may at times see themselves in opposition to each other on issues related to large scale investments, they share common interests in effective management of risks. Participants receive immediate value from on-going participation to the extent that the facility helps collect, integrate and analyze local information about risks in ways useful to and digestible by a variety of constituencies, and introduces relevant and actionable lessons learnt from elsewhere into the local context. These activities operationalize multi-sectoral engagement on the ground.

In order for actors to cooperate on risk analysis it is not necessary that they characterize risks in the same way. For the government, it may be risk to revenue streams; for the company, the risk to operational continuity; for the community, the risk of environmental damage; and for the civil society organization, the risk to its good governance agenda. Parties must simply gain benefit from the perspectives and insights of others, captured in public products, such as conflict analyses and trend monitoring. These can be incorporated in diverse private products – input into a company's human rights due diligence, for example, or a local government’s capacity building plan – in ways different participants find most useful.

Multi-layered Spaces

Conflict risk at the local level is often a reflection of broader tensions or stress factors in the system. Land contested by neighboring communities may reflect at the same time a reluctance to address indigenous claims going back to a colonial era, government policy to set aside wetlands or nature reserves without sufficient regard to the impact on local populations, land grabs by politically powerful individuals, and company failures to allocate royalties on a pooled rather than a wellhead basis. Such conflicts cannot be resolved locally. Capacity to convene actors and share knowledge among various constellations of regional, national or international players present in specific contexts recognizes that these require multi-sectoral engagement at different levels.

Convening at national and international levels also helps to feed the realities of the local situation into the programs and plans of international actors, whether intergovernmental organizations, private enterprises, or peacebuilding and development actors. A facility or institutionalized space can be equally important to supporting relationship building, information gathering, joint analysis, collaborative planning and collective monitoring across actors and sectors internationally as it is locally. It helps keep focus on the realities, needs and opportunities of the specific local context, allows the voices of local actors to be heard most directly, and contributes to the coherence and cumulative impact of international intervention.
Networking Across Contexts

The weight of the action framework is biased towards engagement in specific fragile environments. There is, however, utility for limited but broader international activities that grow directly out of the experience and credibility gained from targeted interventions in specific national contexts.

The first of these is an action learning network that connects local facilities. It first of all connects them to each other, providing a space for collegial reflection and capacity development. It secondly connects them to related international initiatives, opening multi-directional channels for learning and influence. Better understanding of local contexts and practice will help direct priorities for research, promising practice development and policy. At the same time, the network fosters the infusion of expertise and experiences from other contexts into the exchange, accelerating the uptake of promising practices on the ground. Comparative analysis as part of monitoring and evaluation also improves the evidence base for planning and implementation in specific contexts. In this way, dialogue and deliberation support evidence generation, while evidence has a better entry point to influence decision-making. Networking of actors participating in local facilities can evolve over time into a multi-sector and cross-institutional platform.

A Strategic Focal Point to Facilitate International Accompaniment of Local Efforts

A strategic focal point adds energy to a space where action is urgently needed but where resources and capabilities are poorly aligned to needs. It acts as a catalyst for multi-sectoral, multi-layered approaches that reduce the risks and increase the positive potential for business investment in fragile environments. The realization that parties in fragile environments often lack both the will and the capacity to work together provides the strongest rationale for the utility of a strategic focal point to facilitate international accompaniment of local efforts. This accompaniment role focuses on:

- Providing political, technical and financial support for dialogue and deliberation in particular national contexts that leads to locally-owned, robust and sustained multi-stakeholder systems for risk identification and risk mitigation.

- Surveying local strengths and weaknesses and facilitating interventions that build resilient local capacity for conflict prevention and resolution, enable peer learning, and rally global insights in a manner actionable in the local context.

- Facilitating relationships and understandings that lead to better aligned and more constructive international support for specific local efforts across business, peace-building, development, and governmental actors.

The utility of such roles to build risk mitigation and conflict prevention systems in fragile environments in effect mirrors the emerging consensus on international mediation support roles more generally. There is utility in building relationships of confidence where they do not sufficiently exist among local actors themselves around risk and risk mitigation; facilitating participatory analysis of conflict dynamics as well as local strengths and challenges for dealing with them across a variety of actors; ensuring careful evaluation of strategic and tactical options for introducing new thinking and new modes of action for conflict prevention into the fragile environment; providing expert support for design, management and evaluation of conflict prevention systems; and engaging in consistent outreach to the full range of stakeholders nationally and internationally for coherent action.

5.2 Challenges

That the action framework must be operational in some of the world’s most difficult contexts invites a strong dose of realism. Real world challenges must be put straight on the table.

The first is that conflict and conflict potential are growing faster than conflict prevention capabilities. On one hand, we see increased pressures from globalization and competition for resources opening even the most fragile markets to global investment. On the other, we see rising community expectations combined with new mechanisms for asserting community interests. These combined are
a recipe for increased tensions where communities face real or potential negative impact from large-scale private-sector activities, including displacement, environmental degradation, or other rights violations or negative effects on local autonomy and development. Yet the universe of contexts in which well-documented, well-understood approaches to conflict prevention are systematically put to work is mostly limited to a small number of large-scale extractive operations. New conflicts continuously emerge in places that remain largely off the international radar.

Even once conflict risks are registered, effective preventive action may be out of sync with typical donor planning and funding cycles. Efforts to establish effective conflict prevention systems must be sufficiently intense, on-going and compelling to overcome predictable scepticism and resistance. Mobilization of local, regional, national and international stakeholders in environments characterized by profound mistrust and weak relationships across sectors is a long-term endeavour. Building from extent local conflict prevention capacity and experience will help, but moving from exploratory conversations, through consensus on the appropriate structure, staffing, finance and governance for a facility in particular local context, to its operationalization and demonstrated preventive outcomes, can be predicted to be a multi-year process.

Effective preventive action may also be out of sync with a world increasingly driven by ‘value for money’ and return on investment in both public and private spheres. It is difficult to monetize good analysis and good relationships, or for donors to conceptualize the building of a coalition around an agenda for risk identification and conflict prevention as a laudable programme goal. Defining and measuring success is particularly complicated in the context of what is ultimately a public good, making difficult a compelling investment scenario for any single actor. There are the additional generalized challenges of demonstrating causal relationships in complex environments, and of proving in any rigorous way the improved outcomes from preventive action or risk mitigation measures in a particular context. The logic of reducing days of operational disruption, fewer violent incidents, or improved collaborative relationships is straight-forward, but their proof is not.

Attitude and behavioural changes are also required. The action framework catalyses collaborative action and encourages the application of more holistic strategies for intervention in fragile environments. These challenge, on the one hand, central governments that wish to tell international companies that they may not engage indigenous communities directly, and on the other hand, United Nations officials who prefer to speak to the host government of a large multinational, rather than to the company itself. It is not only local actors who will need to be progressively engaged in dialogue and deliberation to achieve risk mitigation and conflict prevention goals; many silos need to be broken.

Finally, it must be frankly admitted that the framework is a necessary but insufficient condition for preventive action. Much turns on the willingness and capacity of the various actors – the international company, local business, civil society, government – to turn insight into action. Engagement at the national and international levels provide leverage points for action, as do opportunities to use local convening to build capacity or engage various parts of complex organizations, such as companies and municipalities. Finally, good analysis creates opportunities to pressure actors in productive ways. But the action framework to some extent supports a ‘coalition of the willing; it cannot, in and of itself, force a company, government, donor or development actor to act on the conflict risk data that emerges. Effective advocacy and leadership are still required across sectors and institutions.

6. Conclusion: Confronting Risk, Mobilizing Action

World-wide, large-scale investment in fragile environments is increasing in scale and scope, taking place by definition well before structural good governance reforms can be effective. The twelve-month process leading to this paper highlights a framework to confront risk and mobilize action that can save lives and money. Successful conflict prevention and risk mitigation mean fewer people hurt or killed, fewer livelihoods destroyed and fewer operational disruptions. They contribute to acceleration of recovery of investments, accelerated achievement of development goals, and broader benefits to communities. They mean short-term cost savings, and long-term more sustainable and predictable relationships. They result in safer and more predictable life around large-scale investment projects.
While far from simple, the broad directions for preventive action are straightforward. Experience tells us that, the problem is not the problem. Development is change, and change is fraught with problems. The problem is the community's lack of capacity to manage the problem. Both peacebuilding and company practice therefore increasingly focus on the strength and resilience of local actors – including but not limited to government – to identify and appropriately respond to tensions and stress factors in the environment.

Complexity arises when we confront the challenge of coordinating conflict prevention practice – including the need for multi-layered, multi-sectoral alignment – across a bewildering variety and number of actors and contexts in order to achieve its promise.

Risk identification and risk mitigation provide a meeting ground for coordinated action. Parties need only admit that their own agenda, however defined, is at risk in the fragile environment, and realize that they share with others common interests in effective risk management. All actors struggle in their own way to maintain livelihoods, operations, or services in some of the most difficult environments in the world. Better local knowledge and situational intelligence accrue to the benefit of all. Thoughtful third party roles may all the same be required to seed conversations in particular national contexts, building consensus on the utility of addressing risks and conflicts on a multi-stakeholder, multi-layered basis.

Building from this foundation, the nurturing of spaces for collaborative risk management helps operationalize a vision that places context sensitivity at the centre of engagements on the ground. It improves the assessments required by a range of international instruments. It educates technical experts – whether in governments, companies, or development agencies – on the messy realities of co-existent and competing forms of political or economic order, conflicting claims to legitimacy and resources, and a weak social base. It provides compensatory and transitional mechanisms for dialogue and deliberation in the service of better decision-making, despite the fragility of the environment.

In the presence of both an urgent problem and a framework solution, what is now clearly indicated is concerted international action. In practice it proves exceedingly difficult for local actors to rally the coordinated efforts necessary to implement such solutions. Weak government and embattled institutions, of course, are defining characteristics of fragile environments. Deep distrust and contentious relationships push parties apart even where underlying common interests in conflict prevention are shared. With government, business, communities, civil society, and international actors advocating for their own self-interest, there is often no obvious honest broker to help establish common ground.

Even if local parties were willing to come together, they face substantial knowledge and skill gaps. Economic actors frequently have the most realistic expectations for the challenges ahead but still have only limited capabilities to act preventively. Peacebuilding actors may have little knowledge about the lifecycle of large-scale business investment or the full range of its likely impact. Even where there are skilled conflict prevention and resolution practitioners locally, they may lack understanding of the international legal and regulatory context in which investment takes place. Local communities in general and marginalized communities in particular are often enough left out of the conversation altogether.

In light of these circumstances, international efforts to support the establishment of effective conflict prevention systems must be sufficiently intense, on-going and compelling to overcome predictable scepticism and resistance. Ad-hoc and poorly coordinated efforts have proven insufficient. The realization that parties in fragile environments often lack both the will and the capacity to work together highlights the utility of an outside actor playing catalytic and convening roles. Conflict prevention and risk mitigation at the local level would therefore benefit from careful international accompaniment and support within a multi-dimensional framework. As outlined in greater detail above, such accompaniment would:

- Provide political, technical and financial support for dialogue and deliberation that support the development of locally-owned, robust and sustained multi-stakeholder systems for risk identification and risk mitigation in particular national contexts;

- Facilitate relationships and understandings across business, peacebuilding, development, and governmental actors that lead to better aligned and more constructive international support for specific local efforts;
Progressively engage more actors – outside of the extractive sector, small and medium enterprises, and enterprises from the global south, among others – to normalize proven preventive approaches as part of planning and implementation; and

Aggregate experience from a variety of local contexts to provide policy- and practice-relevant insights to business, government, peacebuilding, development and knowledge actors at local, national and international levels.

The local efforts and international accompaniment roles described above do not, however, emerge on their own. This analysis, based on the multi-stakeholder process, therefore argues for the establishment of a focal point to catalyse sustained efforts on conflict prevention in the context of large-scale business investment in targeted fragile environments. The focal point would mobilize and align action among existing actors, and enable new partnerships among business, government, peacebuilding, development and knowledge actors that lead to more optimal support for conflict prevention. Its value would come from its capacity, legitimacy and independence to play targeted strategic roles. It would add energy to a space where action is urgently needed but where resources and capabilities are poorly aligned to needs. It would allow the focus to now shift to catalysing and accompanying action in specific fragile environments.
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