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Swiss Agency for Development
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Practical Guidance

Inclusive Economic Development in Fragile Contexts



Introduction

Currently 45% of the SDC priority countries are defined by OECD as fragile or extremely fragile contexts. In all 21 fragile priority countries or regions, except Syria, Inclusive Economic Development (IED) projects are being implemented. Demands for support and guidance on how to plan and implement IED projects in fragile contexts was also voiced by several Swiss Cooperation Offices (e.g. E+E network demand assessment). **In 2020**, the IED and FCHR thematic units established a work stream on Inclusive Economic Development in Fragile Contexts. In 2021, a **slide deck** compiling general considerations and resources regarding IED projects in fragile contexts was elaborated and further complemented by a **FAQ document** taking up specific needs voiced by SDC field offices. In addition, two **webinars** to disseminate the slide deck took place in early 2021 (all information available on the [shareweb](#)).

Feedback from the webinars included a request for more practical guidance. The feedback also showed that practical experiences from peers is considered particularly useful for SDC staff planning or implementing IED projects in fragile contexts. In that regard the IED and FCHR thematic units engaged on a workstream to provide SDC staff with practical guidance on i) how to plan and implement IED projects in fragile contexts, taking into account the particular challenges of fragile contexts and ii) how IED projects can go beyond the minimalist approach of doing no harm (working in conflict/fragility) by explicitly contributing to reduce fragility (working on conflict/fragility).

As part of this workstream 9 interviews were conducted with SDC IED projects being implemented in fragile contexts. Namely the PROMESSE (*Programme d'appui à la Promotion et à la Protection Sociales dans le Sud-Est*) and SQUAT (*Système de qualification et d'accès au travail*) projects in Haiti, the PAPEA (*Programme d'appui à la promotion de l'entrepreneuriat Agricole*) project in Burkina-Faso, the Vocational Skills Development Programme (VSDP) in Myanmar, the Private Sector Partnerships for Health (PSPH) project in Somalia, the Market System for Chars (M4C) project in Bangladesh, the Procacao (*Improving the productive and organisational capacities of cocoa producers and producers in the Mining Triangle*) project in Nicaragua, the AOP (*Accompagnement des Organisations Paysannes et développement de systèmes de marchés durables*) project in Mali and the Skills for life (S4L) project in Kenya.

Three key topics emerged from the interviews with the projects. These topics are highlighted due to their importance in terms of planning and implementing development projects that have the potential of going beyond the minimalist approach of doing no harm and explicitly contribute to reducing fragility. The three topics are **Conflict Sensitive Project Management (CSPM)**, **Partner Selection** and **Private Sector Engagement**.

How to use this page

a) Who is intended to read this practical guidance?

This practical guidance targets SDC staff planning and implementing projects in fragile contexts as well as development practitioners interested in Inclusive Economic Development in fragile contexts.

b) How is the page structured?

This practical guidance provides examples of, SDC funded, Inclusive Economic Development projects in fragile contexts. It illustrates projects working on Private Sector Development, Vocational Skills Development, Financial Sector Development and also project using the private sector engagement as a modality to promote development in fragile contexts. The document is structured around the three key topics that emerged from the interviews (CSPM, Partner Selection and Private Sector Engagement). Under each topic, projects will be presented focusing on how they addressed the specificity of the topic on their context. Besides having access to curated snippets of the projects, the reader will also have access to links with further information on specific topics as well as contacts of SDC staff working with the exemplified cases.

c) What information will be provided?

This practical guidance provides examples of Inclusive Economic Development projects in fragile contexts. The examples illustrated take into account the particular challenges of planning and implementing development projects in fragile contexts and share experiences in how IED projects can go beyond the minimalist approach of doing no harm (working in conflict/fragility) by explicitly contributing to reduce fragility (working on conflict/fragility). This guidance page should be considered as additional practical tips to the slide deck and FAQ published on the shareweb (links below):

[Slide Deck: Inclusive economic development \(IED\) in fragile contexts](#)

[FAQ: IED in fragile contexts Slide Deck](#)

Topic 1: Conflict Sensitive Programme Management

In fragile contexts, development programs are many times faced with instable situations where conflict can be easily triggered. It is therefore paramount that project apply a conflict sensitive approach. Conflict sensitive programme management (CSPM) supports development and humanitarian organisations and practitioners in better understanding the context and analysing the interactions between people, the interventions and the local context. With this understanding of the context and of the interactions, organisations can:

- ▶ **Enhance the impact of activities** (e.g., thorough adaptive management, close collaboration and coordination with local partners)
- ▶ **Avoid risks for the organisation and the individuals.** Political tensions are often accompanied by state fragility and might lead to outbreaks of violence or even violent conflict. Understanding and adapting to the context mitigates reputational, compliance and security risks.
- ▶ **Avoiding doing harm** (e.g., invertedly escalating conflicts or tensions)

Dos and don'ts for CSPM in fragile contexts



Ensure that project planning and implementation is done in consultation and dialogue with local stakeholders.



Closely collaborate and coordinate with local partners and implementing agencies. Remain flexible and adaptive to contextual changes.



Analyse the context recurrently (with support from local partners) and ensure that all partners have access to information and a similar understanding of the context.



Rely on standard or one-off contextual assessments.



Ignore the local actors or government.



Assume all interventions will lead to peace and stability.

The cases below illustrate good practices of using CSPM in fragile contexts:

Haiti: PROMESSE project (2019–2024)

The Promesse project aims to support the most vulnerable groups by working on social promotion mechanisms and by addressing the pillar of inequality and social exclusion, a source of fragility in Haiti. The programme works on a) strengthening the institutional framework of social protection and promotion and b) on the socio-economic inclusion of disadvantaged households in order to produce concrete knowledge and experiences for all actors of social protection and promotion.

Challenges arising from fragility to the project are manyfold. There is a deep **political** instability (for 30 years) resulting in no elections, no functional parliament, frequent demonstrations and strikes, which ampers the projects ability to strengthen institutional frameworks. **Security** wise there are areas with difficult access due to safety concerns (e.g., kidnappings for ransom), which complexify substantially the mobility of project staff. **Economic** situation is characterised by high inflation and little to no private investment (foreign and national), with many being dependent on remittances. **Socially** the context is fragile, with high inequality in gender and income and low access to justice. Recurring natural disasters (cyclones, earthquakes), contribute to high **environmental** fragility in the country and highlight the need for effective social support mechanisms (For more information on OECD's Haiti fragility profile please visit: [OECD Haiti fragile context profile](#)).

The project highlighted three key aspects for effective implementation of Conflict Sensitive Program Management (CSPM):

Conflict Sensitive Programme Management (CSPM) Training

The project, with support from external consultants, facilitated a CSPM training for partners. Promesse team members also participated in the training. The project believes these actions to be crucial to enhance the ability of the project implementing team, avoid risks for the organisation and individuals and to avoid doing unintended harm to the local context, partners and people.

Concertation

In contexts of fragility or conflict, it is vital to involve local actors and consult them before engaging with project activities. The Promesse project had a small conflict with local authorities at the beginning of the intervention due to lack of consultation. It was quickly solved but highlighted the importance of concertation and support from local authorities and local leaders.

Local Knowledge

Associated with the point above, regarding concertation, is leveraging local knowledge. Local actors (private and public) have a very deep knowledge of the local context and the power relations between different actors. Leveraging this information and knowledge is extremely important to avoid upsetting existing cultural and societal relations and/or generating negative externalities. The project partnered with local authorities and actors (different from one region to another).

Knowledge management

Knowledge generation and sharing is very important for a safe and successful implementation of the project. Promesse has regular workshops at the Embassy with partners, sharing context analysis, sources of conflict and discussing possible solutions to given problems. These exchanges improve the safety of the Promesse project and other ongoing development projects, while simultaneously also contributing to better project implementation.

To effectively apply CSPM, in Haiti, the project conducted a CSPM training where all project staff and project partners participated. The project experienced problems in implementation due to lack of consultation of local actors. Taking local knowledge into consideration and including local actors is vital for effective project implementation.

Burkina-Faso: PAPEA Project (2018–2023)

Politically, over the last years a degradation of the political context of Burkina has been observed. In the north, where the program intervenes there is a total absence of the government. The country is currently caught in a spiral of violence attributed to various armed jihadist groups. The government cannot assure the **security** in the northern regions of the country; Interpersonal/gang violence affecting the environment. The humanitarian situation is deteriorating rapidly in light of the intensifying internal conflict, which is spreading to all regions of the country. Access to the field and to markets is difficult. **Economically** there is high unemployment rate, no basic services and little opportunity to create jobs in the northern part of the country.

In Burkina Faso, agricultural enterprises are poorly developed and predominantly informal and individual. Multiple constraints, including poor access to non-financial and financial services, reduce their productivity and create less added value (for more information please visit: [OECD Burkina-Faso fragile context profile](#)). Drawing on Swiss expertise in financial inclusion, SDC will support the agricultural private sector (micro and small enterprises) to create decent jobs for youth and women and thus contribute to poverty reduction. *The Programme d'Appui à la Promotion de l'Entreprenariat Agricole (PAPEA)*, is an SDC funded project started in March 2018.

The project highlighted three key aspects for effective implementation of Conflict Sensitive Program Management (CSPM):

Concertation

During inception phase a workshop of concertation with stakeholders and regional authorities was held; Project and partners defined together the interventions per region.

Conflict Sensitive Programme Management (CSPM) Focal point

The project appointed a CSPM focal point, responsible for maintaining conflict analysis (base analysis) and permanently update it; Regularly monitor stakeholder analysis and the relation between them, in all the regions of implementation, as well as regular political economic analysis.

Training

Training/awareness-raising on CSPM for co-facilitator partners and cluster facilitators. Trainings are not to be seen as a one-off event but rather recurring actions that promote a conflict sensitive approach by the project staff and partners.

In order to apply conflict sensitive program management principles effectively the project started with the development of a simplified specific CSPM guide. Local ownership (buy-in) of initiatives, continuous monitoring of conflicts and awareness raising for CSPM were topics highlighted by the project.

[More info](#)

Mali: AOP – Accompagnement des Organisations Paysannes et développement de systèmes de marchés durables (2017–2023)

Faced with numerous challenges related to the effects of climate change, land security and access to markets, family farms in Mali are struggling to improve their income and contribute to national food security. AOP aims to strengthen farmers' organizations and develop partnerships with the private sector to increase the supply of support/advice services to family farms and thus contribute to the sustainable economic development households.

The political and security dimensions of fragility are the ones affecting the project the most. Multi-dimensional **political** crisis impacting at different levels. The inability of the government to provide certain public services affects the project and the delivery of the intended objectives. The **security** situation also affects the project implementation. Terrorism impacts free movement, leading also to food insecurity. Additionally there are conflicts between farmers' organisations, cooperatives and communities for access to resources, which have been intensified by climate change (for more information please visit: [OECD Mali fragile context profile](#)).

Key factors for effective project implementation in fragile contexts, such as Mali:

Capacity building

To ensure up to date knowledge in the volatile and regular changing context (including high staff turnover), capacity building of staff and partner organisations needs to be recurrent.

Partnerships

In fragile contexts the inclusion of a partner can dictate both the success or the failure of a project. Partnerships are very important for a number of different reasons (e.g., local partners are a reliable source of contextual knowledge, they allow access to different areas of the territory, they promote sustainability of operations, etc.) However, partnerships need to be carefully vetted in order to distance the project from involvement with any sides at conflict. Projects being implemented in fragile contexts need to be cognisant of the effects they and their partners intentionally or unintentionally produce on the context.

Conflict Sensitive Programme Management (CSPM)

Systematisation of CSPM training with project staff and partners is fundamental to guarantee adequate project implementation and doing no harm.

The multi-dimensional political crisis in Mali impacts the project on multiple levels. The security situation impacts free movement and leads to food insecurity. Implementing a development project in these circumstances is challenging and it demands capable and capacitated staff and partners who are aware of how to implement projects in fragile contexts. Hence, It is of the utmost importance that every stakeholder is trained on CSPM.

[More info](#)

Kenya: S4L – Skills for life (2016–2022)

Skills for Life aims to strengthen the income-generating capabilities of unemployed youth between 18 and 25 years by enhancing their access to technical skills training, financial, life and literacy skills for improved livelihoods. The project targets both members of the host and refugee communities living in Kakuma Refugee Camp and Kalobeyi Integrated Settlement located in Turkana County, the North-Western region of Kenya. Skills for Life envisions increased youth self-reliance and sustainable contributions to conflict and human rights transformations. This is achieved through better access to employment opportunities, increased income generation and improved livelihood prospects which leads to socio-economic integration of both the refugees and the host community.

In the context of the Kakuma, where the project is implemented environmental, economic and societal fragility are evident. **Environmental** fragility is quite severe in Kenya, especially in the rural areas where drought and climate change have been straining rural resilience. **Economically**, rural investment and social support are slim. The resources utilised to maintain the camps should be leveraged as a vehicle for development – e.g., developing basic services that could generate greater benefits for the region and the people. This could also have positive impact on the **societal** dimension, reducing grievances and contributing for inclusive economic growth. change (for more information please visit: [OECD Kenya fragile context profile](#)).

Key factors for effective project implementation in fragile contexts:

Gender

Proactively consider the gender dimension and seek to address root causes of Gender inequality. This thematic is very important in the context of temporary settlements, such as refugee camps Women and girls living in refugee camps are at far greater risk of rape and sexual assault. Living conditions are often unstable and unhygienic.

Conflict Sensitivity

Establish baselines for conflict prior to the project implementation and implemented the project with full understanding of the tensions between refugees and host community – especially in what relates to scarce resources and access to various services – and how support to one group may be perceived by the other.

Partner selection

Engaging with partners (public and private) is key for the success of the operations. Aligning their objectives to the projects long term vision is crucial.

The project has learned tremendously about the implications of working in such fragile context. It is not always easy to have a full understanding of the context from the start, so it is important to follow CSPM guidelines and partner with organisations who have the same objectives.

[More info](#)

For more information:

Promesse Project	Germain Dubois – National Program Officer, Haiti
PAPEA project	Gouba Abel – Program Manager, Burkina-Faso
AOP Project	Djibril Diani – Rural Development and Local Economies P. Officer, Mali
S4L Project	Kilwake Lillian – Programme Advisor, Kenya
Useful links:	Conflict-Sensitive Programme Management CSPM (admin.ch) Conflict Sensitivity, Peacebuilding and Sustaining Peace (un.org) SDC Economy and Education – E+E Network (shareweb.ch) SDC Fragility, Conflict and Human Rights Network (shareweb.ch)

Topic 2: Partner selection in fragile contexts

In fragile contexts, interventions often encounter problems such as security risks for program staff and infrastructure, lack of access to beneficiaries and program partners, or a political climate that hinders work in conflict-affected areas or with all relevant actors. In these contexts, partners may assume a vital role for the adequate implementation of a programme.

It is increasingly clear that long-term solutions in fragile contexts must involve multiple partners. Partnerships in fragile situations have proved strategically valuable, as they allow to increase reach, speed and depth of development and humanitarian interventions. Aligned partners must be vigilant, patient and adaptive in fragile contexts, while simultaneously willing to endure delays or impediments before clear progress is made. However, partnerships in fragile contexts do not come without risks. Partner selection can be problematic in fragile contexts as partners may be “positioned” or simply perceived as part of a certain group and therefore posing programmatic and institutional risks for the project and donor. Partner selection in fragile context is both challenging and crucial. Challenging because of security risks and possible politization of the partnership, and crucial due to the access and knowledge it may provide.

Dos and don'ts for partner selection in fragile contexts

- ✓ Assess the constraints that partners may have and how those constraints may influence project implementation.

- ✓ Allocate resources to individual and organizational skills in implementing development/humanitarian projects in fragile contexts.

- ✓ Analyse alignment of objectives and values between all partners of the project.

- ✗ Assume all partners have a widespread capacity to operate in the territory.

- ✗ Assume partners have a similar understanding to the objectives of the project and of conflict sensitive programme management.

The cases below illustrate the challenges and importance of partner selection in fragile contexts:

Myanmar: VSDP – Vocational Skills Development Programme (2018–2023)

The programme will contribute to strengthening the overall vocational training system in Myanmar through strategic partnerships with public and private sector partners from selected industries. The context in Myanmar changed dramatically during the implementation of the project, with strong implications on the organisations and institutions with whom the project may engage.

The context in which the VSDP project is implemented changed drastically in the past few years. According to the United Nations Development Programme ([Infographics – UNDP Myanmar](#)), after over a decade of reducing poverty, the number of poor people in Myanmar is projected to grow exponentially as result of the combined impacts of the COVID-19 pandemic and the abrupt overthrow of the democratic order after the military coup (for more information please visit: [OECD Myanmar fragile context profile](#)).

The **Economic** climate in Myanmar can be characterised by providing little employment opportunities for the population. Population subsists on agriculture and livestock rearing. There are deep **societal** problems, such as gender inequality, weakness of civil society or lack of voice and accountability. The country is regularly hit by drought and famine, which also affects livestock. **Security** wise, the country faces a protracted humanitarian crisis, grand displacement, armed and economic conflicts over sparse natural resources and other forms of violence. The ever-changing context affects the project's ability conduct

its activities and to partner with local actors. Partner affiliation (even perceived) to either side of the conflict is a liability that can jeopardise the project and tarnish reputation of implementors and donors.

The VSDP project highlighted two key aspects for effective partner selection in this fragile context:

Localisation

Partners allow the project to reach areas of Myanmar that would not be possible to reach for international organisations. Local partners are deeply rooted within local communities and have their trust. Partner organisations know the communities and are known by them. This credibility of local partners is key for acceptance and implementation of the project.

Due Diligence

It is critical that thorough due diligence is done to the local partners. Linking with a partner that is perceived favourable to one side of the conflict may cause programmatic risks, that may result in project being terminated, and institutional risks that may cause reputational loss for the implementing agency and the donor.

Many partners were already defined when the crisis started which meant that many had to be reassessed and due diligences assumed a bigger importance. Working with certain partners, may in the context of Myanmar, have implications for your own organisation and for the donor. The project tries to assume an impartial/neutral position and carefully vet the local partners that work with the project.

[More info](#)

Somalia: PSPH – Private Sector Partnerships for Health (2019–2024)

This project aims to contribute to overall health systems strengthening in Somalia. It supports sustainable private sector healthcare financing and service delivery through networks and associations of private providers. Thereby, the project improves access to quality and affordable service delivery, increasing the stability of the country, which is in the interest of Switzerland.

The compounding fragility in Somalia was further amplified by the Covid-19 pandemic. For the PSPH project the key challenges are related to i) the **economic** fragility, since there is a high level of distortion in the markets, which are heavily dependent on foreign aid, and ii) the **political** (and **security**) dimensions of fragility. The absence of government and the ongoing conflict results in virtually no social health insurance for the population. Only a small minority have health insurances. Furthermore, the project needs to work mostly remotely and engage with likeminded partners to reach the purposed objectives (for more information please visit: [OECD Somalia fragile context profile](#)).

There is one key principle that the project followed when it came to partner selection:

Alignment

Skills, motivation and attitude of private sector partners need to be in line with the project and follow the MSD principles. Partners that don't comply to this will not be considered.

Localisation

In Somalia access to certain parts of the country is very difficult. Having local partners that have a presence in these regions is key for the success of the project.

Conflict Sensitive Programme Management (CSPM)

It is important that implementing team and project partners are aware and mindful of the possible ramifications of the project activities but also of individual behaviour and how this may be perceived. Regular training and vigilance on this topic is very important in fragile contexts.

The project follows a Market Systems Development (MSD) approach in a context/market that is highly distorted by foreign aid. In order to collaborate with the PSPH project, partners need to understand the logic of MSD and accept that changes will only be sustainable if they are backed by viable business models. The establishment of proxy health sector supported by International Aid is a blockade for the development of the local health care market.

[More info](#)

Nicaragua: Procacao

Procacao intends to contribute to the improvement of the income of cocoa-producers, in the RACCN North Caribbean Coast Autonomous Region, through the implementation of good agricultural practices, which allow an increase in quality for export markets, organisational and business strengthening and the generation of employment.

The key fragility challenges for Procacao in the RACCN region relate to the **political, security** and **economic** dimensions of fragility. The authoritarian system, political repression, cut of public freedom and rights, closures of hundreds of NGOs result in difficult relations with the central government and consequent work in regulatory frameworks for private sector development. Furthermore, vulnerable indigenous populations have been facing the invasion of their territories by settlers and forced displacement, contradicting the objectives of promoting inclusive economic development; **Economically** the country faces international isolation. Lack of foreign investment, high unemployment, high economic informality, high migration rate in particular of young people, inflation, fragile and politicized private sector all contribute to a very fragile economy (for more information please visit: [OECD Nicaragua fragile context profile](#)).

Key factors for effective project implementation in fragile contexts:

Advocacy

Advocacy in public policies is a key factor for the success of the project. Government plays a key role is guaranteeing changes reach the most vulnerable. The project aims to advocate to different levels of the government of Nicaragua to improve the business environment in the RACCN.

Context analysis

The context changes frequently and sometimes drastically, therefore an iterative context analysis is paramount. Weekly meetings with project partners are held where the context analysis and update is a standing item on the agenda.

Localisation

Proximity to the target group is fundamental. In the fragile context of Nicaragua, being close to the target group is key. Communities trust organisations that have a local presence, know the local context and are known to the local people. The project puts effort in finding, partnering and capacitating these organisations.

Adaptability

Linked with the aforementioned context analysis, projects need to be able to rapidly adapt/adjust to the changing environment.

Localisation

Transparent and fluid communication between all stakeholders is key for the acceptance and understanding of the projects' objectives and activities.

In the project's experience advocacy is key for the sustainability of the operations in this context of fragility. In order to promote lasting changes, it is fundamental that the activities of the project are coordinated with public actors. Furthermore, it is important to analyse and monitor the context constantly, be adaptive to the changes and be close to the target groups, communicating the activities and objectives clearly to everyone. Local partners are a key element for the success of the project.

For more information:

VSDP Myanmar	Aubert Emilie – Head of Skills & Market Development, Myanmar
PHSP Somalia	Corradi Corinne – Regional Health Advisor, Horn of Africa
Procacao Nicaragua	Mauricio Peñalba Nissen – National Program Officer, Nicaragua
Partner selection and Due diligence	Private sector engagement (admin.ch) Due Diligence – OECD (oecd.org) OHCHR Corporate human rights due diligence UNSDG UNSDG Due Diligence for Business Sector Partnerships

Topic 3: Engaging the private sector in fragile contexts

Achieving the goals established by the United Nations by 2030 will require a concerted effort from both public and private sectors. According to the United Nations, the public sources of funding in all countries “clearly do not suffice to fund the SDGs” (UN Secretary General, 2018). To achieve a better and more sustainable future for all, private sector participation is crucial. The private sector is the world’s biggest employer and plays an important role in economic growth and sustainable development. Switzerland’s International Cooperation Strategy 2021–24 aims to expand cooperation with the private sector and exploit its potential to promote sustainable development.

In fragile contexts it is additionally difficult to attract private sector partners. Causes for this are manifold and connected to macroeconomic instability, poor infrastructure, limited size of the markets and lack of business cases while existing private sector actors face limited access to capital. The insecure environment often also compels private sector actors to develop short-term strategies rather than creating long-term sustainable development plans.

Dos and don’ts for EPS in fragile contexts



Understand the interactions between the private sector partner and the local context. Guarantee that interventions of project and partners ‘do no harm’.



Assess the programmatic and institutional implications of partnering with a given private sector partner beforehand (due diligence).



Understand the potential benefits for the private sector partner and assess whether the partner has the capacity to deliver the expected impacts to the primary stakeholders or beneficiaries of the project.



Assume that private sector partners have a widespread capacity to operate in the territory and deliver the expected results.



Assume private sector does not need CSPM training because they operate in the territory.

The cases below illustrate good practices of engaging the private sector in fragile contexts:

Haiti: SQUAT – Système de qualification et d'accès des professionnels au travail (2017–2030)

The SQUAT programme aims to improve the access of craftsmen, masters and apprentices to the quality skills required by the markets, through which they increase their income. To achieve this, the programme plans to support craft structures and training centres to develop a system of dual and advanced training. It plans to support the strengthening of public institutions in setting up inclusive and sustainable vocational training systems.

Challenges arising from fragility to the project are many-fold. There is a deep **political** instability (for 30 years) resulting in no elections, no functional parliament, frequent demonstrations and strikes, which ampers the projects ability to strengthen public institutions. **Security** wise there are areas with difficult access due to safety concerns (e.g. kidnappings for ransom), which complexify substantially the mobility of project staff. **Economic** situation is characterised by high inflation and little to no foreign private investment, with many being dependent on remittances. Employment is an issue even for qualified labour. **Socially** the context is fragile, with high inequality in gender and income and low access to justice. Recurring natural disasters (cyclones, earthquakes), contribute to high **environmental** fragility in the country (for more information please visit: [OECD Haiti fragile context profile](#)).

To engage with the private sector in a fragile context, the project recommends the following approaches:

Collaboration

SQUAT collaborates with the different types of private sector, from companies to chamber of craftsmen, chamber of commerce and industry, colleges and chamber of trades. Collaborating and supporting private sector is key. Albeit the challenges, it is common that during conflict or extreme events the private sector continues to operate. The project believes that strong collaboration with the private sector is important to ensure sustainable training of skilled labour and sustainable income sources for families. Private sector organisations are also very important in these contexts as many times they have responsibility for networking artisans, search for young entrepreneurs, support. capacity building, licenses and certification.

Risk Sharing

Squat also promotes private sector engagement as a vehicle for risk sharing. The trainings should integrate the interests and expertise of all concerned parties, with joint responsibility for planning, carrying out and improving the training systems. Coordinating the engagement of private and public actors with the project leads to voluntary commitment, risk sharing and mitigates potential frictions between actors that may spark or exacerbate conflicts.

In a context of deep political, security and economic fragility, the project strives to engage the fragile private sector and promote entrepreneurial initiatives. The project takes a long-term approach for development, setting the foundations for sustainable and scalable private sector development.

[More info](#)

Bangladesh: M4C – Making Markets Work for the Chars (2017–2020)

Women and men living on riverine islands will increase the productivity of their farms as a result of better access to quality inputs and services, processing and output markets. Benefitting farm households are likely to invest additional income into the diversification of their farm businesses and basic needs. This will result in reduced poverty and vulnerability of men and women on riverine islands and an increase in their well-being.

In the area of implementation of the project the most pressing fragility elements are economic fragility and environmental fragility. **Economic** wise the geographic isolation from the mainland adversely affects livelihoods of people. There is little private sector initiative and investment. As result, jobs and income generating opportunities are scarce. The chars (riverine islands) are prone to **environment**/natural calamities, which reduce even more the investment appetite for private sector partners. (For more information please visit: [OECD Bangladesh fragile context profile](#)).

Engaging private sector in these remote locations is challenging. The project recommends the following approaches:

Leading companies (catalysts)

Investing into remote areas of Bangladesh, like in this case the Chars, is resource intensive. The project identified that there is a business case to be explored but the initial entry costs are high. Therefore, the project targets leading national companies that have sufficient financial footage and market credibility. The credibility and reputation of the private sector partner also help breaking the initial resistance that local communities may have.

Risk sharing

Play to the incentives of market actors (demonstrate the potential economic benefits of targeting vulnerable populations in the Chars) and potentially share entry costs. The partnership will only work if the private sector partner identifies a viable business model behind the intervention. However, in some situations the risks are quite high. In those cases, the project shares the entry costs for the private sector partner.

Engaging the Bangladeshi private sector to (co-)invest in the remote areas where the project operates is very challenging. The project's approach is to pilot small initiatives and demonstrate the potential economic benefits associated with targeting vulnerable populations. Once the private sector actors realise the viable business models they are more willing to (co-)invest.

[More info](#)

For more information:

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