

# KICK-STARTING ENTERPRISE & MARKET DEVELOPMENT IN CONFLICT/CRISIS-AFFECTED AREAS

## Experiences from Somaliland & Puntland (Northern Somalia)

GERRY Mc CARTHY, CHIEF TECHNICAL ADVISOR,  
ILO PERPS (PROMOTION OF ECONOMIC RECOVERY PROJECTS IN SOMALIA) Email: [gmc@unops.org](mailto:gmc@unops.org)

### **1. TOOLS FOR IDENTIFYING OPPORTUNITIES**

- Past reports and interviews with pre-event stakeholders.
- Rapid/detailed sector/sub-sector analysis.
- Rapid/detailed market research (local, regional and export).
- Enterprise surveys.
- BDS surveys.
- Territorial Diagnosis and Institutional Mapping (TDIM) studies – using tool kits purposely developed for Somalia.
- Requests for assistance.

### **2. INCREASING THE AVAILABILITY OF INFORMATION ON OPPORTUNITIES**

- Prepare and publish pre-feasibility business profiles (investors' guides) of specific opportunities with potential to significantly impact on job and livelihood creation and improvement (focus on providing enough information for potential investors to proceed to formal business plan).
- Publish success information for copycat/replication.
- Mobile exhibitions.
- Internet.
- E-newsletters.
- Radio, TV, video and DVD programmes.
- Print material.
- Investor guide launches.
- Investor workshops.

### **3. ENTERPRISE & MARKET DEVELOPMENT STRATEGY**

- Promote investments in enterprises of scale – special emphasis on targeting diaspora investment.
- Local markets – focus on market-led product and service opportunities (new and improved products and services).
- Export markets – get Somalis more directly to markets for commodities and into high value product chains – focus on value chain development in animal products, semi-precious gems, essential oils, honey and other.

### **4. ENABLING & FACILITATING BUSINESS SERVICES**

- Provide only where no BS provider exists.
- Provide pre- and post- delivery support to providers.
- Get creative on BS – look at own programme/project components for potential BS opportunities (e.g. local economic development, employment intensive investments).

### **5. BUSINESS ENVIRONMENT**

- Weak administrations suggest basic approaches needed.
- Use employment and livelihood steering committees/forums and a dominant line ministry (e.g. Planning) to mobilize relevant ministry and backstop this group to develop and implement ToRs for developing roles of the regional authorities as catalysts and facilitators of private sector-led growth and expansion.

- Use public-private technical partnerships (spin-off from employment and livelihood steering committees/forums) to promote public-private sectors dialogue and engagement for development of sectors, sub-sectors, policies, frameworks, processes and so forth.
- Business institution and cooperative/association building insofar as possible.

## 6. LOCAL ECONOMIC DEVELOPMENT

- Rural locations of at least some substance.
- Capacity building for communities – established of local economic development forums/committees, develop/agree and implement community recovery action plans (comprising various sub-projects – labour-intensive works, skills, etc).
- Capacity building for planning ministries – database, promotion of additional investment, process development, etc.).

### CASE STUDY: HENNA VALUE CHAIN DEVELOPMENT, SOMALILAND

Somalilander Shukri Ismail returned to Hargeisa from Washington DC in 1997. She founded the local NGO Candlelight whose mission includes the development of sustainable livelihoods for poor rural women. She wanted to explore the possibility of local production of henna (which is ground leaves of the *Lawsonia inermis* tree used for body decor) to compete with henna imported from Yemen. Danish Refugee Council provided a grant for a henna grinding machine while Irish agency Progressive Interventions facilitated a service provider to prepare a business plan and also started the process of linking Shukri to Body Shop International (BSI) by developing and testing samples, completion of fair trade paperwork, and facilitating a visit to Somaliland by two BSI representatives. By mid-2001 and after BSI product and market research and testing, Shukri's henna was launched by BSI as their fair trade henna product in 49 countries worldwide. Shukri and a partner (Ahmed) established the commercial business, Asli Mills, to process and market the Henna while the women collectors were organized into collector cooperatives. The business is highly profitable employing 18 people and has developed other natural food and cosmetic product lines. An estimated 250 nomadic women enjoy regular decent incomes from collection of the henna leaves and supply to Asli Mills.

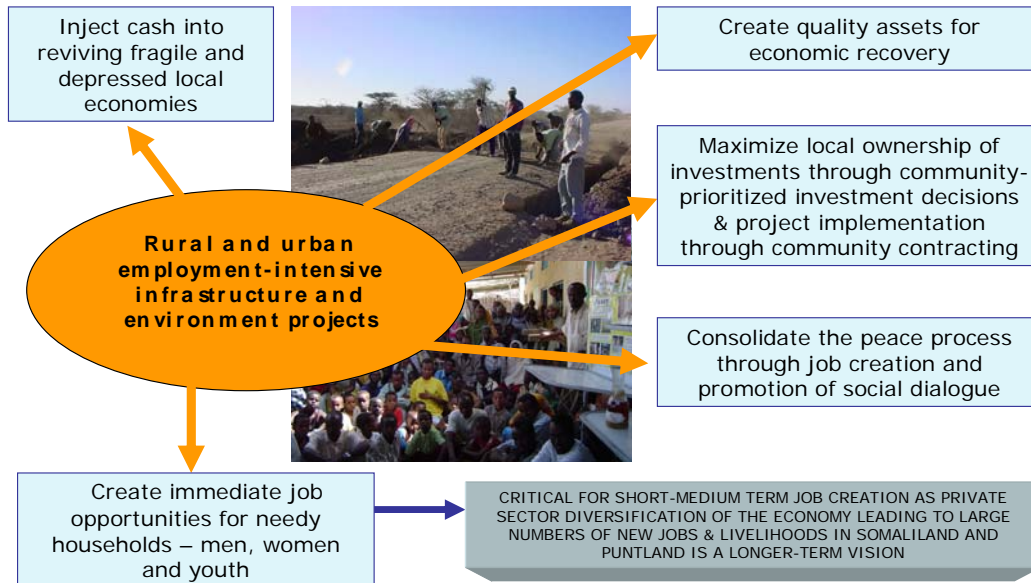
#### LESSONS LEARNT FOR REPLICATION/UP-SCALING:

- Don't hesitate to experiment in conflict/crisis-affected areas.
- There are excellent fair trade market opportunities for natural products: giving people economic reasons for preserving and cultivating species has a direct and positive impact on the economy.
- Northern industry leaders have great potential for developing.
- Promote more diaspora involvement in Somalia: they can bring investment capital, and business linkages and business acumen from exposure to western market economies.

## 7. INTERIM EMPLOYMENT CREATION

### EMPLOYMENT INTENSIVE INVESTMENT PROJECTS – IMPACT OVERVIEW

**RATIONALE FOR EIIP:** enables an immediate response to the prevailing infrastructure, employment and livelihoods crisis in Somaliland and Puntland



### EMPLOYMENT INTENSIVE INVESTMENT PROJECTS: PORTFOLIO & PARTNERS

