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# The Business Case for Peacebuilding

## Investing in Stability as Risk Management

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## ABOUT INTERNATIONAL FUND FOR PEACE

Based in Washington, D.C., the mission of the Proposed International Fund for Peace (IF4P) is to enhance the resilience of societies to resolve differences peacefully, thereby tilting the odds toward peace.

The Fund aims to help a majority of countries build the internal capacity to manage peacebuilding effectively within a generation, preventing differences from escalating into violent conflict. Over two generations, it seeks to see these capabilities established in most countries worldwide. The governance aim is to make peacebuilding a normal, effective function of governments and society at large, lowering the risk of violence and generating positive economic and social outcomes nationally and internationally. In doing so, the IF4P will work with stakeholders across society, including private sector, to help ensure that long-term peacebuilding and stabilization policies and programs become sustainable within national governments.

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# Executive Summary

Conflicts cost the global economy about US$20 trillion in 2024. The level of violent conflict recorded has reached the highest level since the end of the Cold War. It has resulted in a prolonged period of geopolitical instability whose effects have been felt rapidly beyond the borders of the countries involved. Governments and societies continue to bear the burden of conflicts while the businesses feel the impact immediately through disrupted operations and increased cost of logistics, insurance, and security. In addition, there is workforce insecurity and high levels of uncertainty around investment and expansion.

Recent conflicts show how quickly these risks can manifest. Heineken for instance, lost operational control of its major industrial plants in the eastern Democratic Republic of the Congo. Violence during protests in Nepal led to business losses running into hundreds of millions of dollars, one of them being the burning down of a Hilton hotel. The World Economic Forum's 2026 global risk outlook doesn't offer much comfort either, as the threats of state-based armed conflicts and geoeconomic confrontation are predicted to be on the rise.

On the other hand, public systems that are responsible for managing conflict risks are increasingly stretched. Governments face growing pressure to finance humanitarian efforts, security expenses, and domestic needs. Weak post-pandemic recoveries are still draining public budgets. The issue of unpaid contributions has driven the United Nations to warn of a looming financial crisis, which means even less capacity to deal with conflict-related risks despite the growing magnitude of threats.

As public capacity diminishes, the responsibility for managing conflict-related risk shifts more to the private sector. For businesses in fragile and conflict-affected markets, engaging in peacebuilding is no longer optional. It has become critical for operational continuity, protecting assets, and preserving long-term value. New peace-finance and risk sharing tools have helped reduce barriers for private involvement but often remain fragmented and short-term. While incentives exist, durable delivery at scale remains elusive.

This research puts forward the idea that peacebuilding should be considered as a major economic investment. If done extensively, it would require a different approach to institutions and financing systems. Through analysis of ten business and country cases, it reveals that companies are more likely to sustain their operations in high-risk areas when their engagement is long-term and integrated into trustworthy local systems.

The policy paper recommends that peacebuilding should be made part of the corporate risk and investment decision-making. It calls for a shift away from disjointed short-term activities toward long-term local engagement. Private capital ought to be in harmony with the country-led systems that can demonstrate measurable reductions in conflict risk.

# 1 Introduction

Violent conflict is increasing and has become one of the most significant challenges for the global economy. Today's conflicts are more complex and spread out geographically, and they are more connected to the global markets than in the past. The Global Peace Index 2025 reports 59 active state-based conflicts, the highest number since World War II.[1] Conflict-related violence led to an estimated 152,000 deaths in 2024 alone.[2] Besides the human cost, violence now represents a long-term obstacle to growth, trade, investment, and fiscal stability rather, than just a temporary disruption. The effects of conflict cross borders, impacting companies through supply chains, commodity and energy markets, insurance costs, and investment risks, even when their operations are far from conflict zones.

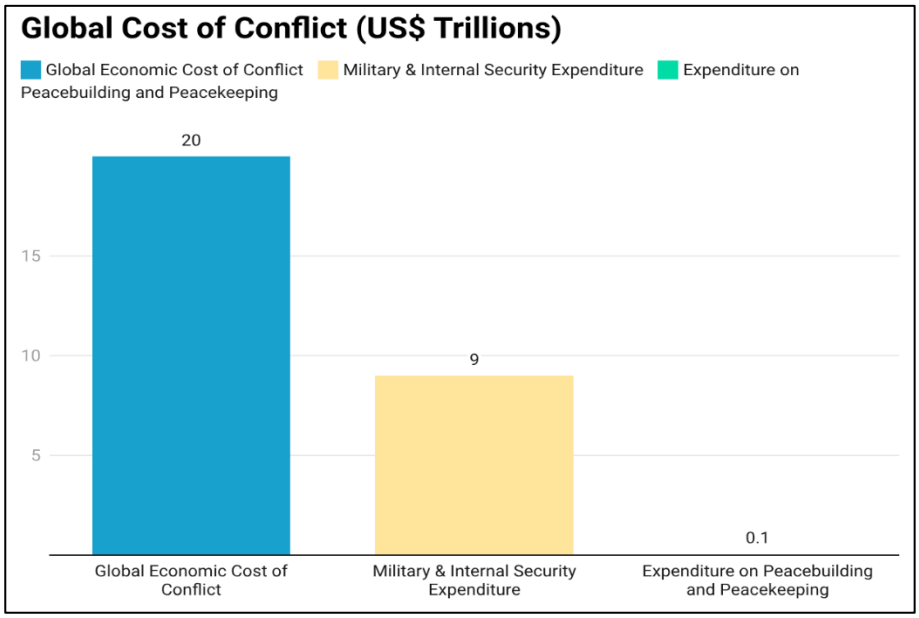



*Figure 1. Economic cost of conflict versus security and peacebuilding expenditure (US$ trillion). Source: IEP, Global Peace Index 2025*

The economic scale of this problem is alarming. Recent estimates that the global economic cost of violence is nearly US$20 trillion each year, which is about 11-12 percent of global GDP (Figure 1). In contrast, global military and internal security spending reaches about US$2.7 trillion annually,[3] while investment in peacebuilding and peacekeeping makes up only a small part of that total. This difference does not mean that spending on security is ineffective or unnecessary. In many cases, well-functioning security institutions are crucial for protecting civilians, preventing escalation, and maintaining basic order. However, the growing imbalance highlights not just a resource gap, but also a continuous underinvestment in reducing conflict-related risk before they arise, even with the clear and expected economic losses from violence.

Despite this evidence, the ability to prevent conflict remains weak. Such institutions as exist that are responsible for managing conflict risks and maintaining peace are under increasing

pressure. Fiscal pressures following a series of global shocks have pushed governments towards short-term crisis responses, while funding for peace and prevention in very fragile areas is now at its lowest since 2004.[4] The United Nations Secretary-General has warned that the organization risks imminent financial collapse due to unpaid contributions from member states, limiting its ability to support peacekeeping, prevention, and stabilisation efforts effectively.[5] These challenges have widened the gap between the scale of conflict risks and the ability of public systems to manage them properly.

In response to these challenges, new peace-finance and risk-sharing tools have emerged to attract private capital, signaling that investing in peace possible. However, these methods are still not enough to support prevention efforts on a large scale in the most fragile and conflict-affected regions. Research highlights the difficulty of matching short funding cycles with peace outcomes that happen over long, uncertain periods.[6] The OECD has found that private finance raised through blended finance declines as fragility increases.[7] Meanwhile the United Nations peacebuilding stakeholders too have pointed out that peace and prevention funding is often scattered, short-term, and project based.[8] As a result, there is a fundamental mismatch between the nature of conflict risk and the current funding methods for peacebuilding.

Looking ahead, there is little sign that these pressures will lessen. The World Economic Forum's Global Risks Perception Survey 2025–2026 ranks state-based armed conflict and geoeconomic confrontation among the top global risks for 2026, suggesting that conflict-related instability will likely continue to shape the global environment (Figure 2).[9]

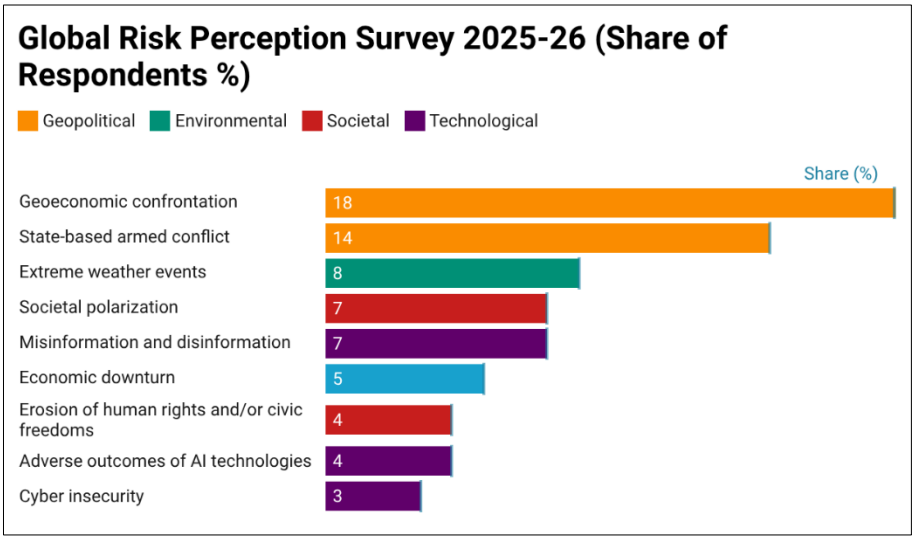



*Figure 2. Global Risks Report 2026, World Economic Forum*

Against this backdrop, this paper argues that narrowing the gap between the rising economic costs of violence, and the limited capacity of current systems, requires rethinking peacebuilding as a crucial economic investment and a key part of risk management. As public institutions deal with increasing constraints and current peace-finance tools fall short of delivering long-lasting solutions at scale, greater involvement for the private-sector in

prevention is essential. For firms operating in fragile and conflict-affected markets, risk directly impacts operating costs, asset security, supply-chain stability, and profit predictability. Understanding how peacebuilding can mitigate these risks and under what conditions it generates lasting commercial value is central to the argument presented here. By examining case studies led by business and at the country-level, the paper explores how long-term, institutionally backed, and place-based strategies, supported by patient capital, can reduce conflict risk while preserving long-term economic value.

# 2 Incentives for Businesses to Invest in Peacebuilding

For businesses, conflict risk affects their financial stability. It disrupts operations, raises costs for capital and insurance, weakens demand, and can lead to significant investments losses. In areas affected by conflict, these impacts are ongoing rather than isolated events.

While foreign investors often draw attention, domestic investors, including small and medium enterprises (SMEs), and family-run businesses, are usually more vulnerable to instability. They also have a greater interest in long-term peace. Therefore, peacebuilding is important for business because it reduces uncertainty and protects value, rather than just serving a reputational or charitable purpose.

## 2.1 Protecting Supply Chains and Operational Continuity

In areas affected by conflict, companies face significant direct and indirect costs. Firms in these environments deal with greater security expenses, limited access to finance, damaged infrastructure, and disruptions in the job market, leading to temporary or permanent closures.

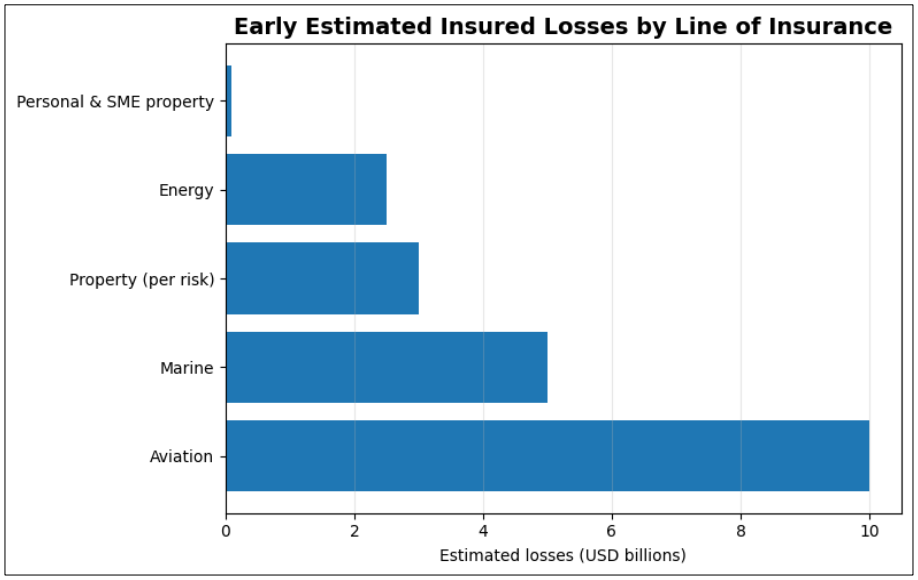



*Figure 3. Early estimated insured losses from the Ukraine conflict by line of insurance (US$ billions). Source: Reinsurance News (2022)*

While political risk insurance (PRI) has expanded to cover a wider range of exposures, including sovereign actions and political violence, insurers are facing higher claims pressure and volatility. This is contributing to higher premiums, tighter terms, stricter exclusions, and more cautious underwriting in high-risk countries and sectors, making investment and expansion more difficult.[10]

Events like the unrest in Chile from 2019 to 2020, the riots in South Africa in July 2021, and various civil unrest incidents in the United States resulted in insured losses exceeding US$10 billion.[11] Since the invasion of Ukraine in 2022, over 1,300 Western companies have reported direct losses of more than US$167 billion in Russia alone.[12]

Effective peacebuilding efforts, such as local mediation, reintegration programs, and strong policing and justice systems, can help minimize these risks by making disruption less likely and less severe. Research from the IMF shows that preventive investments can yield high economic returns, with benefits ranging from $26–$75 for every dollar spent in countries without recent violence and up to $103 in post-conflict areas.[13] For companies, these benefits mainly come from reduced volatility, lower insurance costs, and lower risks.

## 2.2 Access to New and Frontier Markets

Reliable security and a strong legal system are essential for profitable markets. As violence decreases and institutions strengthen, areas that were once too risky for investment become viable. Safer environments lower transaction costs, improve labour movement, and build confidence among banks and investors.

Sectors such as infrastructure, tourism, agribusiness, and manufacturing are particularly affected by instability. A study by the Institute for Economics and Peace found that corporate

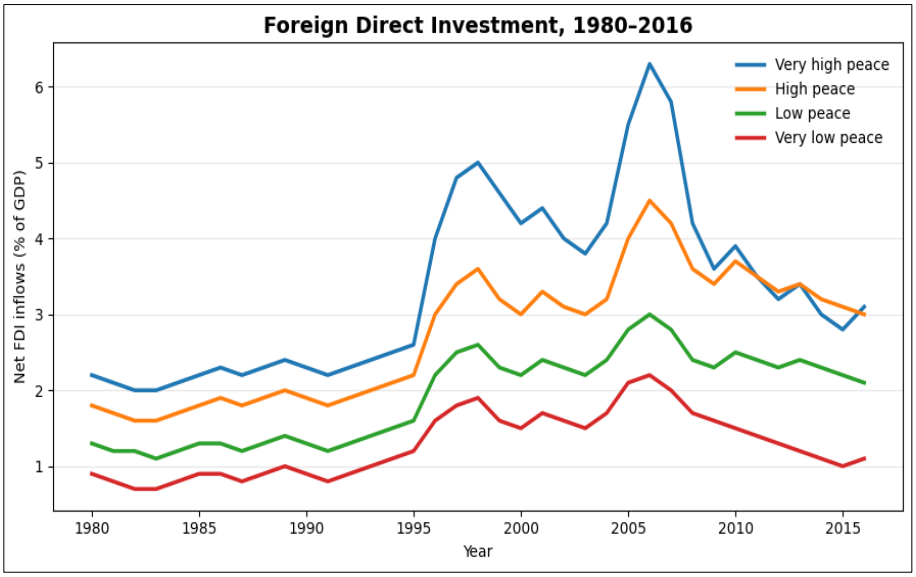



*Figure 4. Net foreign direct investment inflows as a percentage of GDP by level of peacefulness, 1980–2016. Source: World Bank; Institute for Economics and Peace.*

profits in peaceful countries outperformed global averages by 26.5 percent over ten years.[14] Companies that invest early in stabilisation through local partnerships, and community programs can gain advantages and help shape new market ecosystems.

Investment trends show that capital is strongly attracted to peace. For example (as illustrated in Figure 4) net foreign direct investment inflows are consistently higher in more peaceful countries, highlighting peace as a key condition for sustained private investment.

## 2.3 ESG Compliance, Due Diligence, and Investor Expectations

Environmental, social, and governance (ESG) criteria increasingly factor in risks related to instability, conflict, and violence. Due diligence regulations, particularly in Europe, now require firms to identify and manage governance and human rights risks throughout their supply chains, including in conflict zones.[15]

Investor expectations are changing accordingly. Institutional investors and development finance organisations are emphasising the need for conflict awareness, social risk management, and political analysis in their investment strategies.[16] As a result, exposure to conflict can affect access to capital, financing costs, and company valuations, rather than just compliance.

## 2.4 Reputation and Social License to Operate

In unstable environments, business success often relies on maintaining a social license to operate. This is especially vital in sectors such as extractives, large-scale agriculture, infrastructure, and manufacturing, which are both capital-intensive and highly visible.

Firms that are seen to be contributing to local tensions face greater risks of protests, sabotage, regulatory delays, and project cancellations. On the other hand, companies that engage positively with communities, address concerns, and practice conflict-sensitive strategies are better equipped to manage risks, reduce enforcement costs, and maintain long-term operations.[17]

# 3 Evidence from Country and Business Case Studies

Across five country-level and five business-led cases, the evidence shows that peacebuilding affects investment behavior, risk exposure, and market outcomes. Over the past six decades, countries with higher levels of peace have seen stronger per capita growth and attracted much higher levels of private investment than less peaceful peers.[18] These patterns suggest that peace is not just a social or political good; it is also a valuable economic asset.

## 3.1 Peace Dividends Are Real but Not Permanent

In the country cases, reductions in large-scale violence are related to improvements in economic performance and investment sentiment. Colombia, Rwanda, and Mozambique each had times when better security expanded territorial access, reduced operational disruption, and allowed for renewed private-sector activity. These cases show that peace serves as a condition that supports investment, but it is not a driver by itself.

**1. Colombia (Post Civil-War recovery) — Peace Enables Market Re-entry**

Colombia's post-2016 period shows that better security can reopen rural areas to investment that were previously left out. Business responses are strongest when there are institutional measures in place that lower political and implementation risk. Programs such as "Works for Taxes" created a clear way for private involvement in conflict-affected regions. This helped firms re-engage where security improvements were backed by reliable public pathways. *(Appendix, Case Study 1)*

**2. Rwanda (Post-genocide Recovery) — Institutions Sustain Peace Dividends**

Rwanda's recovery highlights that peace dividends depend a lot on rebuilding institutional legitimacy and social trust. Reconciliation and justice efforts, along with governance reforms, helped normalise economic interactions and rebuild confidence. As trust and institutions became stronger, investment became more stable and diversification easier, even with ongoing regional instability as an external risk. *(Appendix, Case Study 2)*

**3. Mozambique (Extractives) — Investment Without Trust Is Fragile**

Mozambique shows the limits of believing that large-scale investment can stabilise a fragile situation by itself. Despite significant LNG outflows, unresolved grievances, weak local institutions, and exclusion from economic benefits led to rising violence in Cabo Delgado. The suspension of major projects shows how investment can quickly stall or decline when legitimacy and trust are missing. *(Appendix, Case Study 3)*

## 3.2 Institutional Anchoring and Structured Engagement Are Decisive

In both country and corporate cases, results depended less on stated commitments to peace and more on whether engagement was structured, credible, and grounded in institutions. Peacebuilding created economic value when it clarified rules, expectations, and pathways for resolving grievances. Where engagement was sporadic, informal, or disconnected from public systems, the benefits were limited and often short-lived.

**4. Nigeria (Chevron) — Structured Engagement Reduces Volatility**

Nigeria's Niger Delta shows how moving from one-time payments to multi-year, participatory engagement can lower disruption risk. Chevron's Global Memorandum of Understanding model strengthened local decision-making and made community relations more predictable, contributing to stable operations. However, the case also highlights that progress at firm-level depends on broader governance and security factors beyond corporate control. *(Appendix, Case Study 4)*

**5. Sri Lanka (SMEs) — Gains Without Institutional Anchoring Are Fragile**

Sri Lanka demonstrates that peace benefits can be undone if not institutionalised. Private-sector coalitions supported stabilisation during the 2002 ceasefire and benefitted from better economic conditions. However, those peacebuilding efforts were not embedded in post-war governance. Later political and economic shocks revealed that the lack of lasting trust and accountability mechanisms increased business losses and instability, especially for local firms and SMEs. *(Appendix, Case Study 5)*

**6. India (Enron) — Social License to Operate Is Not Optional**

India's Enron case shows how large investments can fail even outside a typical conflict setting when social consent and grievance mechanisms are weak. Limited transparency, questioned legitimacy, and inadequate ways to address community concerns caused prolonged conflict around the project leading to significant financial and reputational costs. The takeaway is that legitimacy and accountability are essential for lasting investment, no matter if a country is "at war" or not, or even if the country is at peace. *(Appendix, Case Study 6)*

## 3.3 Corporate Peacebuilding as Risk Management, Not Substitution

Business-led peacebuilding was most effective when seen as risk management that complemented public authority, instead of replacing it. Companies reduced their exposure to disruption by investing in dialogue, local mediation, and fair benefit-sharing, but these efforts provided lasting value only they worked with public institutions and collective frameworks.

**7. Brazil (Norsk Hydro) — Regional Risk Management Pays Off**

Norsk Hydro's experience in Brazil's eastern Amazon shows that corporate stability strategies often need to fit the geography of risk. Facing violence, weak governance, and mistrust along its operational route, Hydro expanded from site-level measures to corridor-wide partnerships that combined social investment with public programs. Although these efforts did not resolve structural land and security issues, they lowered disruption risk and improved operational resilience over time. *(See Appendix, Case Study 7*

**8. Eastern DRC (Heineken) — Survival Strategies Have Limits**

Heineken's long presence in eastern DRC shows both the benefits and constraints of remaining in high-conflict economies. While ongoing operations and social programs provided local benefits, the lack of collective, institution-anchored peacebuilding left the firm vulnerable when violence surged. The eventual shutdown shows that responsible business practices cannot substitute for broader peace-promoting conditions when security fails. *(Appendix, Case Study 8)*

## 3.4 Peacebuilding as Trust Infrastructure

In various cases, peacebuilding acted as a "trust infrastructure" that stabilised expectations, lowered transaction costs, and shortened recovery cycles following shocks. This role is especially important for domestic firms and SMEs, which are deeply connected to local dynamics and have limited ability to spread risk geographically.

**9. Nepal (SMEs) — Local Mediation Protects Business Continuity**

Nepal demonstrates how recurring unrest can impose repeated costs even after a formal peace agreement. Where dialogue and local conflict-resolution mechanisms are in place, escalation can be reduced and recovery sped up, protecting business continuity for domestic enterprises. This highlights peacebuilding as a practical approach to risk management that enhances resilience during political stress. *(Appendix, Case Study 9)*

**10. Colombia (Coffee Sector) — Markets Reinforce Peace When Organized**

Colombia's coffee sector shows how market access can strengthen peace when producer organisations and value chains are strong enough to turn security gains into sustained livelihoods. Initiatives that rebuilt local organisation and connected producers to export markets improved income stability and decreased incentives for renewed conflict. The benefits were most durable where local capacity and institutional transfers were strong. *(See Appendix, Case Study 10)*

# 4 A System-Level Theory of Change

The case studies reveal a clear pattern. Where violence decreases and institutions are seen as fair and capable, businesses invest and grow. Where grievances rise and legitimacy is weak, companies withdraw or face increasing operational risks.

Figure 5 summarizes a reinforcing pathway. Peacebuilding strengthens institutional trust. Higher trust helps reduce grievances, which lowers the likelihood and severity of violence. As violence falls, the business environment becomes more predictable, encouraging private investment. In turn, private investment can help sustain peacebuilding efforts, reinforcing stability over time.

However, similar interventions can produce different results. When legitimacy is weak or benefits are captured by narrow groups, trust erodes, grievances increase, violence rises, and firms withdraw. This can dent peacebuilding efforts and push the system into a vicious cycle of higher risk and renewed instability.

Broader economic conditions and external shocks also affect outcomes. Inflation, persistent unemployment, cross-border conflict, and regional dynamics can weaken stability.

Peacebuilding remains important because it strengthens trust, legitimacy, and institutional performance, helping countries absorb shocks and lowering conflict-related risk.

The model supports the idea that peacebuilding creates value when it is anchored in credible institutions builds trust that reduces uncertainty. Private investment helps sustain gains when it supports inclusive benefits, addresses grievances early, and aligns commercial incentives with stability rather than substitute for public authority.

If that investment creates visible local benefits and provides credible ways to address grievances, stability tends to strengthen and risk continues to fall. When legitimacy is weak or benefits are narrowly captured, the loop can reverse, leading to higher risk, capital withdrawal, and renewed instability.

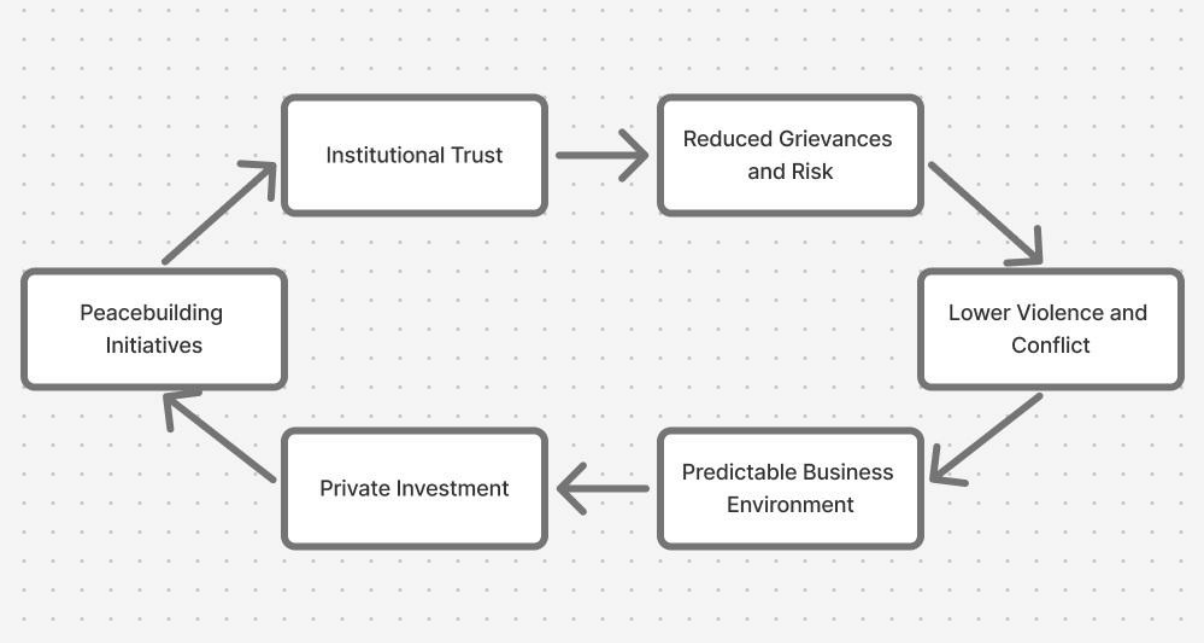



*Figure 5. Reinforcing dynamics between peacebuilding, reduced risk, and private investment.*

The model above supports the idea that peacebuilding creates value when it reduces uncertainty and builds trust at the local level and is based on credible institutions. Private investment helps maintain those gains when it aims to share benefits, manage grievances early, and connect commercial incentives with stability rather than substitute for public authority.

# 5 Recommendations for Policy and Practice

The following recommendations target policymakers, development partners, philanthropic funders, and private investors who want to get involved in peacebuilding as part of long-term economic and risk-management strategies. They turn the Theory of Change recommended herein into practical actions that can reduce uncertainty, lower the risk of disruption, and support lasting investment in fragile and transitional contexts.

The main challenge is not whether peacebuilding provides value, it does, but how to sustain it with scale, coordination, and credibility.

## 5.1 Link Peace-Positive Investment with Nationally Defined Priorities

Peace-positive investment works best when it supports nationally defined peace and stabilisation priorities instead of running separate projects. Governments and partners should align private capital with citizen diagnoses, conflict analysis, and country-led peace strategies. In the Mindanao region of Philippines, Paglas Corporation and La Frutera, Inc. established a banana plantation in the 1990s that created jobs for both Christian and Muslim communities, including former combatants.[19] The economic opportunities generated by the joint venture helped support reconciliation and local stability.

This alignment lowers political and reputational risks for firms while boosting local legitimacy. If private investment ignores national frameworks, grievances might worsen or create separate systems that undermine trust. In contrast, structured pathways such as Colombia's "Works for Taxes" mechanism demonstrate how public-private alignment can promote engagement in high-risk areas while reducing initial uncertainty.

## 5.2 Treat Peace as a Core Component of Economic Risk Management

Peacebuilding should be embedded in economic planning and investment decision-making, not treated as an optional add-on. For larger firms and associations, this means incorporating conflict sensitivity, stakeholder engagement, and grievance management into their main risk frameworks. For policymakers and financiers, it means realising that prevention yields return by reducing disruption risks and avoiding significant future losses.

To sustain results, governments should make peacebuilding as a coordinated set of public functions with dedicated budgets and clear leadership, instead of weak, disparate functions that operate more in name than action.

## 5.3 Create Enabling Conditions That Reduce Long-Term Private Risks

Private capital will invest at scale only when the policy and institutional environment make long-term involvement possible. Key conditions for sustained private investment include stable multi-year funding commitments to peacebuilding, clear regulatory frameworks, reliable monitoring setups, and coordination mechanisms that connect private actors to public peace systems.

When investors can count on transparent rules, trustworthy data, and open dialogue with public authorities, the perceived risk premium for fragile contexts begins to decrease. Reducing risk is not just about financial guarantees. It's primarily about building a governance environment where stability is a reasonable expectation, allowing companies to factor peace into their regular risk assessments.

## 5.4 Strengthen Pro-Peace Security Institutions as Economic Enablers

Effective security institutions are vital partners in peace-positive investment. When security institutions are seen as legitimate, accountable, and protective of civilians, they create an environment for political agreement, economic activity, and private involvement. If they are viewed as predatory or biased, they increase grievances and the risk faced by companies.

Therefore, improving pro-peace security practices should be part of the investment enabling environment, not an alternative to peacebuilding. Corporate and donor involvement with security institutions should help enhance legitimacy rather than bolstering coercive control.

## 5.5 Integrate Private Capital into National Peace Systems

For peace finance to work effectively, private capital must be part of national peace systems instead of working on the sidelines. Governments can formalise their role through public–private stabilisation platforms, multi-stakeholder framework agreements linked to governance and justice goals, and advisory bodies that bring business expertise into national peace programs.

By connecting local initiatives, institutional reforms, and investment choices within a national framework, these initiatives can reduce fragmentation and ensures that economic and peace goals align well.

## 5.6 Use Anchor Institutions to Coordinate and Scale Peace Finance

An anchor fund can unite different actors, reduce fragmentation, and support long-term efforts. The International Fund for Peace (IFP) offers one example, capable of aligning public, private, and philanthropic participants around shared national goals.

Structured around country agreements and long-term engagement, such mechanisms can combine technical support, performance-linked finance, and national oversight. By providing clear standards, transparent metrics, and phased engagement, they create a trusted link between local institutions and external investors. This helps move peacebuilding from fragmented efforts to a cohesive, long-term approach, as outlined in a recent European Leadership Network briefing paper.[20]

# 6 Conclusion

Peace is an important economic asset. Conflict increases the cost of capital, disrupts supply chains, destroys human capital, and weakens long-term growth. By reducing uncertainty and the chance of violent disruption, peacebuilding and prevention protect existing investments. They also make markets and projects more attractive to invest in, which would otherwise be considered too risky to finance.

Peace can lead to economic gains, but it doesn't happen on its own, and it isn't permanent. Where peacebuilding is organised, inclusive, and matches market incentives, private capital responds and supports stability. However, when it is disjointed, short-term, or disconnected from governance systems, the benefits are fragile and can be undone.

The main challenge is not a lack of evidence. Instead, it is the need for large scale efforts, better coordination, and sustained commitment. Despite the rising economic costs of violence, peacebuilding remains underfunded. It overly depends on short-term projects that struggle to tackle the root causes of instability. At the same time, private capital continues to factor in conflict risk without viable ways to reduce it.

Bridging this gap requires a change in how we finance and govern peace efforts. Peacebuilding should be seen as an investment and part of economic risk management, rather than just a discretionary or humanitarian effort. This change requires country-led systems that can plan and implement prevention strategies over several years, backed by reliable resources, trustworthy institutions, and synchronised public-private incentives.

The involvement of the private sector is vital to this transition. It should not replace public responsibility, but as a practical partner with long-term interests that align with stability, predictability, and shared wealth. When capital, institutions, and peacebuilding efforts work together, peace becomes not only possible, but also an attractive and sustainable investment.

# Appendix: Case Studies

Cross-country evidence consistently points to a measurable “peace dividend” in economic performance once violence subsides and basic security and trust are sustained. Over the past six decades, countries with higher levels of peace have recorded stronger per capita growth and attracted significantly higher levels of private investment than less peaceful peers.[21] These patterns suggest that peace is not only a social or political good, but a durable economic asset.

The five case studies that follow do not imply that peacebuilding alone drives investment outcomes. Rather, they illustrate how reductions in violence and grievance, when reinforced by credible institutions and engagement mechanisms lead to lower business risk and enable private capital to respond.

## 1. Colombia’s Peace Dividend and Sectoral Diversification

For decades, Colombia’s armed conflict imposed high operating risks on firms and severely constrained economic activity. Armed groups controlled large territories, deterring investment in agricultural, infrastructure, and tourism. In the energy sector, extractive assets, particularly oil pipelines and associated supply chains, were frequent targets of extortion, kidnapping, and sabotage.[22] These conditions generated negative externalities for investment in conflict-affected regions and limited the scope of commercially viable business activities.

The 2016 peace accord altered these dynamics by improving security conditions and expanding territorial access in parts of the country.[23] While the accord created enabling conditions, investment responses were strongest where security gains were reinforced by institutional mechanisms that reduced implementation and reputational risk for firms. One such mechanism was the “Obras por Impuestos" (Works for Taxes) program designed to ensure long-term purposes such as territorial transformation and peace building.[24]

The mechanism allows companies to channel a portion of their income tax liabilities into public infrastructure and social development projects in conflict-affected regions. This arrangement created a structured public–private pathway for firms to engage in vulnerable territories while mitigating front-end risks.

Private firms responded selectively. In the energy sector, Ecopetrol, historically one of the most targeted companies during the conflict, experienced partial risk reduction in areas affected by the demobilisation of the dominant guerrilla group.[25] While insecurity has not disappeared, lower conflict intensity in some zones reduced operational disruptions and enabled greater investment in infrastructure and community projects, including multi-year commitments under the ‘Works for Taxes’ framework. These investments strengthened local legitimacy and contributed to more stable operating environments in a high-risk sector, though gains remain uneven and reversible.

In agribusiness, Nestlé's Nespresso brand expanded coffee sourcing into Caquetá, a region where production had collapsed after decades of conflict and displacement.[26] Improved access and security enabled the rebuilding of local supply chains, investment in farmer support, community inclusion programs, and launch of origin-based products such as *Aurora de la Paz*. For the firm, the peace dividend was tangible. It reduced supply chain risk, restored long-term access to high quality beans, and premium market monetisation.

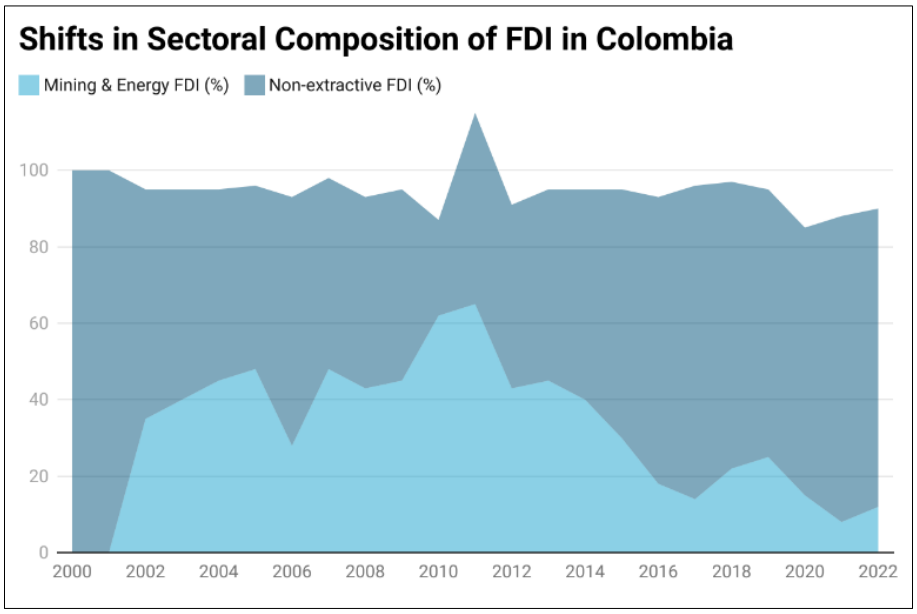



*Figure I. Shifts in the sectoral composition of foreign direct investment in Colombia, showing declining mining and energy shares and rising non-extractive investment over time. Source: The World Bank*

At the macro level, Colombia's post-accord period has been associated with a shift in the composition of foreign direct investment. World Bank data (Figure I), show a sharp decline in the share of mining and energy in total FDI alongside growth in non-extractive sectors such as renewable energy, tourism, communications, and manufacturing.

Colombia's experience illustrates a peace dividend that is real but uneven. Where government action reduced front-end risk and created credible public–private investment pathways, private capital responded. Where insecurity, governance gaps, and limited state capacity persist, investment remains constrained.[27] Peace alone was not sufficient; peacebuilding combined with targeted institutional mechanisms proved critical to unlocking business engagement.

## 2. Rwanda's Peace Dividend and the Role of Institutions and Markets

The failure of the international community to prevent the 1994 genocide, most visibly through the UN Assistance Mission for Rwanda, left the country with institutional collapse, mass displacement, and the destruction of physical, human, and social capital.[28] Nearly all productive sectors, including Rwanda's core coffee industry, were devastated. This experience exposed the limits of externally driven peacekeeping in the absence of political will and robust mandates, and domestic ownership.

In response, Rwanda pursued a comprehensive program of reconciliation, justice, and governance reform aimed at rebuilding social cohesion and restoring institutional legitimacy. Domestic peacebuilding institutions, including gacaca community courts, were designed to process grievances, establish accountability, and normalise everyday interaction across communities.[29] These efforts were subsequently supported by international actors through humanitarian assistance, refugee return, accountability mechanisms, and institutional capacity-building.

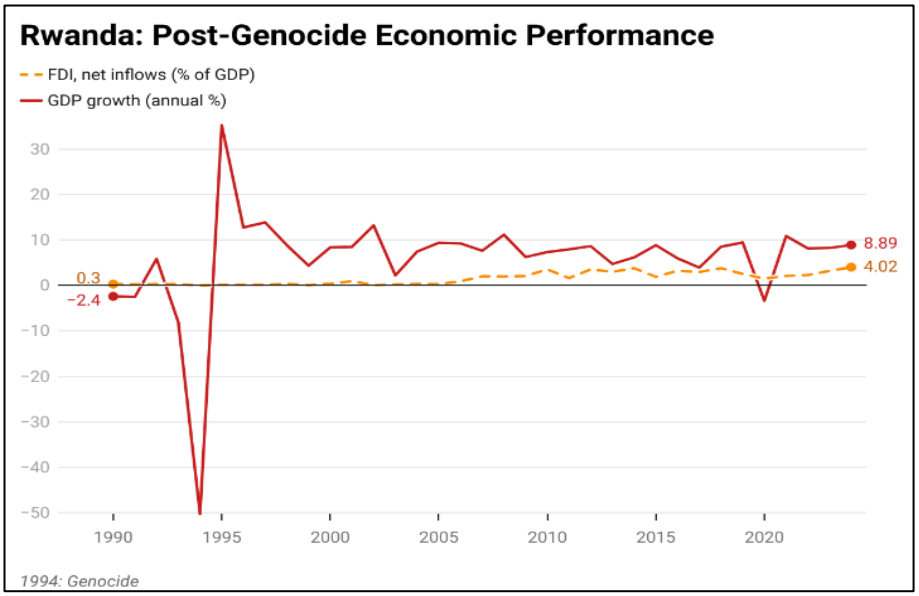



*Figure II. Post-conflict economic performance in Rwanda, showing trends in GDP growth and foreign direct investment inflows (% of GDP). Source: World Bank*

As stability improved, economic actors became an important reinforcing layer of peacebuilding. In export-oriented agriculture, particularly coffee and tea, cooperatives, firms, and international buyers rebuilt value chains around repeated cross-community interaction. These commercial relationships reduced disputes over land, labour, and contracts. This resulted in increased predictability in production cycles; and created shared economic incentives that cut across previously divided groups.

The broader economic effects of this institutional and market-based stabilisation are visible in sustained growth and rising private investment. Rwanda experienced consistently strong GDP growth (Figure II) alongside increasing foreign direct investment, supporting diversification into tourism, manufacturing, information and communications technology, and financial services. Research by the Institute for Economics and Peace finds that Rwanda's investments in peacebuilding and institutional reconstruction generated substantial economic returns, with every US$1 invested in peacebuilding estimated to have saved the country US$16 over a twenty-year period.[30]

Rwanda's experience also highlights the limits of nationally focused peacebuilding in a region shaped by transnational dynamics. Despite domestic stabilisation, Rwanda remains exposed to regional conflict, including through its involvement in dynamics in eastern Democratic Republic of the Congo. Persistent of cross-border armed groups and the mixed

record of international peacekeeping underscore the risks that external instability poses even to relatively successful national peacebuilding efforts.[31]

Recent diplomatic efforts, including those linking ceasefire initiatives to strategic economic incentives such as access to critical minerals, reflect attempts to address these tensions through transactional bargaining.[32] However, peace obtained through short-term incentives may buy time, but without credible governance, transparency, and broadly shared economic participation, it can also sow the conditions for renewed instability.

## 3. Mozambique — Social License to Operate as Conflict-Risk Mitigation

Mozambique's post–civil war growth was shaped by extractive-led investment and reconstruction. Between 1993 and 2015, the economy averaged close to 8 percent annual growth, driven by foreign investment and post-war recovery. However, growth was uneven and failed to deliver broad-based structural transformation, leaving persistent poverty and fragility, particularly in peripheral regions.[33]

These structural vulnerabilities became pronounced in Cabo Delgado following major offshore gas discoveries in the 2010s. Multi-billion dollar LNG investments transformed the region into a strategic energy hub, but surge in investment coincided with deteriorating security conditions fuelled by local grievances, exclusion from economic benefits, and weak institutional trust. From 2017 onwards, insurgent violence escalated sharply, resulting in mass displacement and recurrent economic shocks.[34]

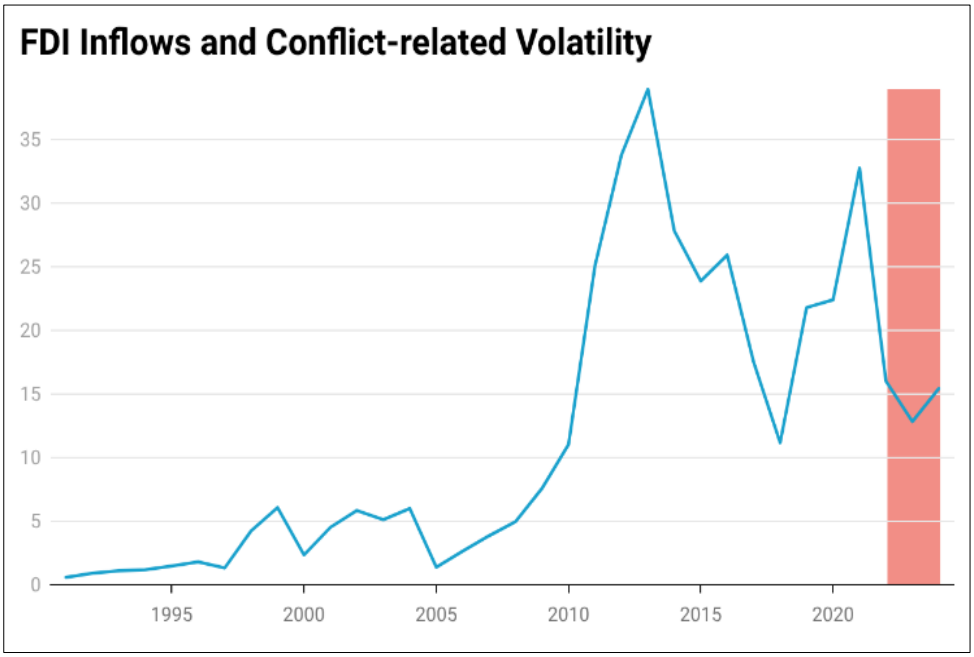



*Figure III. Foreign direct investment inflows in Mozambique (% of GDP), illustrating the scale and volatility of investment in a fragile and conflict-affected context. Source: World Bank*

The commercial consequences were severe. In March 2021, attacks near the town of Palma prompted TotalEnergies (one of the biggest energy investors) to declare force majeure and

suspend construction of its LNG project. Subsequent experience suggests that security deployments alone were insufficient to address the underlying drivers of instability.[35]

Foreign direct investment (Figure III) rose sharply following gas discoveries but became increasingly volatile as insecurity intensified, highlighting the sensitivity of large-scale capital to local conflict dynamics. When force majeure was lifted in October 2025, TotalEnergies reported that the prolonged suspension had increased project costs by approximately US$4.5 billion.[36] The other major investment in the region, ExxonMobil's Rovuma LNG project has proceeded more cautiously, reflecting continued concern over security and community-related grievances.[37]

Mozambique 's experience demonstrates that firms cannot outsource stability solely to state or international security responses. In the years preceding the Palma attack, reports of civilian abuse by security forces and unresolved grievances related to displacement, livelihoods, and exclusion from economic benefits undermined local legitimacy.[38] These dynamics created recruitment opportunities for armed groups and transformed high-value extractive sites into focal points of violence.

In fragile settings, long-term project viability depends on earning and sustaining a social license to operate. Conflict-sensitive local development, inclusive and transparent benefit-sharing, credible grievance mechanisms, and security arrangements aligned with human-rights standards function as forms of risk mitigation by strengthening local legitimacy over time. The Cabo Delgado restart phase therefore represents not only a commercial milestone, but an opportunity to embed a more credible public–private peacebuilding model that aligns commercial continuity with community trust and governance reforms.

## 4. Nigeria's Fragile Peace Dividend and the Scope of Corporate Stabilisation

For decades, conflict and criminality in Nigeria's Niger Delta imposed high operating risks on firms and constrained broader economic activity. Oil and gas dominate Nigeria's exports and public revenues, yet the region that underpins this wealth has faced persistent unrest.[39] Environmental degradation limited local development. Weak governance, and contested control over resources combined to create cycles of sabotage, theft, and community conflict. For businesses, this translated into production shutdowns, high security costs, reputational risk, and limited incentives to invest beyond core extraction.[40]

Chevron's long presence in Nigeria shows how corporate-led peacebuilding can help stabilise operations in high-risk settings. After major disruptions in the early 2000s, including asset shutdowns linked to community unrest, the company overhauled its community engagement strategy and introduced the Global Memorandum of Understanding model.[41] The GMoU replaced transactional payouts with structured, multi-year partnerships involving communities, government, and civil society, creating more predictable local investment and collective decision-making. In 2010, Chevron expanded this approach through the Niger Delta Partnership Initiative and its Nigerian platform, PIND, which linked peacebuilding with enterprise development and stronger local conflict resolution systems.[42] This reflected a recognition that operational stability depends on regional conditions, not just individual project sites.

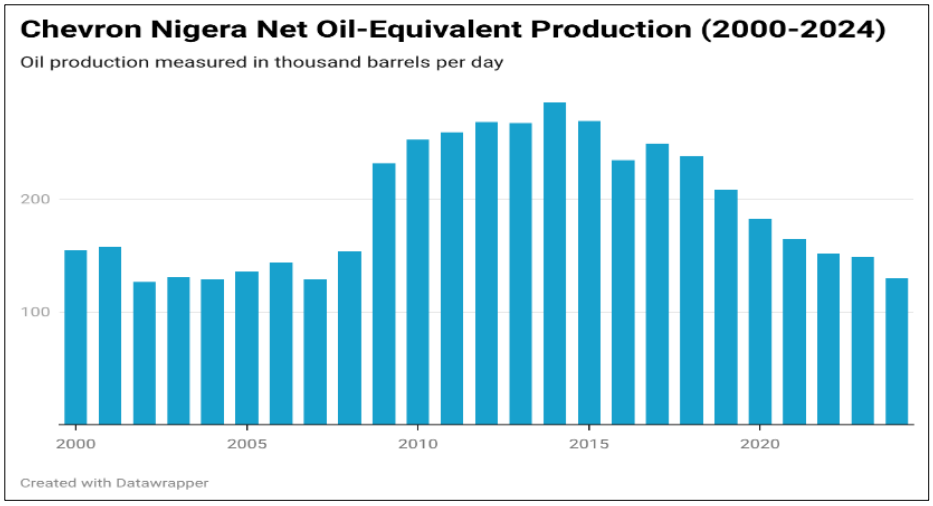



*Figure IV. Annual net oil-equivalent production in thousand barrels per day, illustrating Chevron's production trajectory across periods of disruption, stabilisation, and gradual decline. Source: Chevron*

Over the past decade, Chevron has recorded a significant reduction in crude oil losses from theft and sabotage in Nigeria. In 2025, it reported zero incidents of pipeline sabotage or oil theft, the longest uninterrupted period in its operating history. Chevron's success, while still fragile, reflects a combination of factors. It's structured engagement model reduced volatility, lowered disruption risk, and strengthened the company's social license to operate. These efforts worked alongside enhanced surveillance and enforcement, including private pipeline security arrangements such as Tantita Security Services Nigeria Limited.[43] The contrast is notable, as other global majors including Shell, ExxonMobil, and TotalEnergies have divested or are selling their onshore assets to local firms.[44]

In the above graph (Figure V), Chevron Nigeria's net oil-equivalent production shows a clear rise from the mid-2000s, peaking in the mid-2010s, followed by a gradual decline. The pattern reflects both the recovery from earlier disruptions and the longer-term impact of asset maturity, security conditions, and shifting investment decisions.

Nigeria's peace dividend remains fragile. While violence has declined in some periods, underlying grievances linked to environmental damage, uneven benefit sharing, and weak

public service delivery persist.[45] The overall oil output remains low while operating costs for energy companies remain high. The average production costs for OPEC+ producers are estimated at around $10 per barrel, but companies operating in Nigeria continue to face elevated costs driven by security risks, and logistical challenges.[46]

Nigeria's case highlights the government's inability to provide credible security and enforce the rule of law, leaving a vacuum that non-state actors may help manage but cannot legitimately or sustainably replace. Corporate peacebuilding can reduce risk and unlock investment, but only public–private partnership frameworks provide the scale, legitimacy, and institutional anchoring required for sustained stability in highly contested environments.

## 5. Sri Lanka: A Reversible Peace Dividend, and the Cost of Fragile Stability

From 1983 to 2009, Sri Lanka's civil war imposed high economy-wide risk and constrained economic activity, particularly in the Northern and Eastern regions. Political violence raised transaction costs, disrupted markets, and periodically brought business activity close to a standstill. For firms, the conflict translated into lost output, deferred investment, and persistent uncertainty, especially in tourism, construction, and export-oriented sectors.[47]

In response, prominent sections of the private sector pursued collective peacebuilding as a form of risk mitigation, coordinating through apex chambers and regional business associations. Following the 2001 airport attack, business leaders mobilised through the Joint Business Forum and the *Sri Lanka First* campaign, arguing that the economic cost of war exceeded the cost of peace. Regional business bodies also pressed for the lifting of trade embargoes and the reopening of transport corridors, contributing to political momentum that supported the 2002 ceasefire.[48]

The ceasefire period delivered a short run peace dividend with clear business relevance. GDP growth accelerated, investor sentiment improved, and prospects for foreign and portfolio investment strengthened. Capital markets responded positively, with the Colombo Stock Exchange recording strong gains in 2002 linked to expectations of improved stability.[49] Tourism, a sector highly sensitive to security conditions, rebounded in the years following the truce.[50]

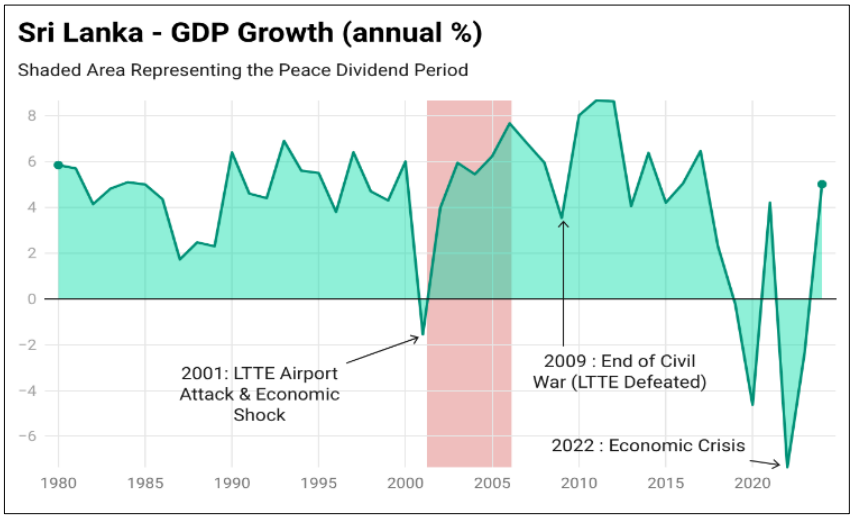



*Figure V. Sri Lanka's GDP Growth (1980–2024): Conflict, Peace Dividend, and Economic Crisis. Source: World Bank*

After the civil war ended in 2009, following the military defeat of the Liberation Tigers of Tamil Eelam (LTTE), engagement with peacebuilding declined. Many apex and sectoral chambers increasingly questioned the relevance of peacebuilding to their core mandates, peace-oriented platforms were scaled back, and agendas reverted to conventional economic concerns. With political space for policy influence limited, the earlier business-for-peace architecture was not institutionalised to support post-war reconciliation, accountability, or inclusive growth.[51]

Nearly a decade later, Sri Lanka saw renewed externally supported peacebuilding through the UN-administered Program for Peace, launched in 2019 for a limited period after the Easter Sunday attacks that April heightened fears of renewed violence.[52]

The program focused on transitional justice, reconciliation, and confidence building measures, including resettlement, land issues, and institutional trust in the Northern and Eastern provinces. Program evaluations reported meaningful local-level outcomes but highlighted limits in scale, and sustainability, with many benefits unlikely to persist without continued donor support.[53]

When Sri Lanka entered acute economic crisis in 2022, these unresolved vulnerabilities became visible. Although the *Aragalaya* protests were triggered by shortages and inflation, their cross-ethnic character reflected a broader perception that exclusionary policies and weak accountability had harmed the country, culminating in the resignation of President Gotabaya Rajapaksa.[54] The business impact was severe. Firms faced prolonged power cuts, fuel shortages, disrupted logistics, and collapsing demand. The economy contracted sharply in 2022, and official surveys indicate that more than one fifth of micro, small, and medium enterprises operating in 2018 had closed temporarily or permanently by the end of the crisis year.[55]

Sri Lanka's experience does not suggest that the decline of business for peace initiatives caused the 2022 crisis. Rather, it highlights the limits of a peace dividend that is not sustained or institutionalised. Collective business action contributed to stabilisation and measurable economic gains during the ceasefire period, but when peacebuilding was treated as episodic rather than structural, stability proved fragile.

## 6. India's Enron Power Project — Ignoring Social Consent and Paying the Price

The Enron (Dabhol) Power Project in Maharashtra illustrates how sidelining communities and due process can turn a flagship investment into a financial and reputational liability. Beginning in the early 1990s, Enron advanced the project with strong political support and expedited approvals, under opaque power-purchase agreements.[56] Local communities and civil-society groups raised concerns regarding environmental impacts, loss of livelihoods, and affordability, seeking redress through public hearings, courts, and engagement with the company.



*Image I. File Photo of the Enron Power Project. Source: PSUWatch*

These concerns were inadequately addressed, deepening mistrust and eroding the project's social legitimacy. Sharp increases in electricity tariffs intensified public opposition, while efforts to suppress dissent through coercive measures further delegitimised the project and amplified political, legal, and reputational risks.[57]

The breakdown of trust culminated in the Maharashtra State Electricity Board halting power purchases, prolonged litigation and arbitration, and eventual project shutdown. Although Enron's bankruptcy in 2001 stemmed from broader accounting fraud, Dabhol became its most visible overseas failure, imposing significant financial losses and lasting reputational damage.[58]

Dabhol underscores that peacebuilding is not limited to war-affected contexts. It is fundamentally about building social consent, credible grievance mechanisms, and institutional trust wherever large investments intersect with communities. When these foundations are neglected, even projects in stable democratic settings can become exposed to disruption, delay, and loss.

## 7. Brazil's Fragile Amazonian Corridor and the Scope of Corporate Peacebuilding

Norsk Hydro is a major aluminum producer based in Oslo, with operations in more than 40 countries. In Brazil's eastern Amazon, Hydro's operations in Para are its main source of bauxite and its largest workforce base, linking the Paragominas mine to the Barcarena refinery via a 244 km long slurry pipeline, with annual revenues estimated around US$ 475 million. Hydro has operated in Brazil since 2011, when it acquired Vale's aluminum assets in Pará.[59] The investment ensured supply security and cost control, but it also placed Hydro in a difficult political, social, and security landscape.

Pará is one of Brazil's most violent and unstable states. Land disputes, weak government, and inequality drive conflict. Rural communities, environmental activists, and land-rights defenders are often attacked by Illegal loggers, miners, and land grabbers.[60] This history has created lasting mistrust of large-scale mining. The pipeline from Paragominas to Barcarena, which crosses many towns where people feel they face the risks without fair benefits has led to tension. An older compensation system inherited from Vale, linked to land arrangements from the military period, has added to conflict, with recurring disputes over land, pollution, and payments leading to protests, lawsuits, and roadblocks.[61] Barcarena has high crime linked to land disputes, drug trafficking, and limited opportunities for youth.[62] An industrial history that ignored land rights has left community groups, criminal gangs, and private armed actors operating in parallel, creating constant instability.

These conditions translate into tough operational challenges for Hydro. Violence affects workforce safety, morale, and productivity, while smaller contractors are particularly exposed to extortion and violence. Protests escalating into



*Image II. Hydro's refinery in Barcarena, Para. Image Courtesy: Norsk Hydro*

blockades of industrial facilities, often with limited state intervention pose further risk. Weak trust in public authorities and persistent fiscal and political instability means broader governance failures repeatedly spill onto industrial sites.[63]

Hydro's response has evolved out of necessity. In Pará, social sustainability has proven to be essential, imposing immediate costs on production and continuity. The Corridor Program, targeting seven municipalities along the pipeline corridor, integrates economic development, social inclusion, and biodiversity conservation. By expanding partnerships and aligning incentives across firms, NGOs, and public actors, the program marks a move from site-level risk management toward regional stabilisation.[64] The TerPaz (Territories for Peace) program in partnership with the Pará state government, seeks to reduce violence by combining social services, education, and employment support in high-risk neighbourhoods. Hydro has committed to constructing and supporting multiple "Peace Houses" and has invested close to $50 million in community building and environmental initiatives, including the Barcarena Sustainable Initiative.

Hydro's experience in Brazil highlights the differentiated effects of corporate presence in fragile systems. It remains a high-cost, high-risk place to operate as risk does not stay localized but travels from mine to refinery. Hence, the operations need steady social investment and constant risk management because local government capacity is often weak. Hydro's shift toward corridor-wide partnerships and work with state programs reflects this reality. It spreads responsibility, builds channels for dialogue, and tries to reduce risk at the source. It does not solve the politics of land or public security; however, it can lower disruption and make operations more sustainable over time.

## 8. Heineken in Eastern DRC: A Missed Opportunity for Collective Peacebuilding

Heineken's subsidiary Bralima Brewery recently shut down operations in conflict-hit eastern Democratic Republic of Congo.[65] The brewer was forced to evacuate staff after rebels took control of two of its breweries in the resource-rich Sub-Saharan country. The development came as a major blow to Heineken's business in DRC, where its successful yet controversial operating model has faced intense scrutiny.[66]

Bralima has navigated periods of political instability, dating back to DRC's independence in 1960.[67] For more than six decades, it kept operating even in the conflict zones, sustaining jobs and tax payments while working through repeated cycles of insecurity, especially in the east. For much of this period, the country saw long stretches of authoritarian rule and weak state capacity, with limited improvements in stability or basic development outcomes for communities most affected by violence.[68]

This exposed Heineken to a recurring dilemma as it tried to sustain operations while navigating both the state and rebel-controlled regions. Its Bukavu operations during 1999–2003 came under scrutiny as former employees accused the company of labour rights

violations and its interactions with the rebel movement RCD-Goma. In eastern DRC, commercial continuity often required paying "taxes" or tolls to armed actors and navigating coercive revenue systems.[69]

At the same time, it supported initiatives and social programs generated meaningful local benefits and strengthen resilience, particularly where public services were thin. Beyond providing employment, the Heineken Africa Foundation (HAF) supported health and sanitation projects including a major agriculture-linked project in Kingabwa, DRC.[70] Yet these efforts operated alongside, rather than addressing, the underlying political and security drivers of conflict. This points to a strategic missed opportunity, a firm of Heineken's influence and reach could have helped build collective, institution-anchored mechanisms to reduce reliance on ad hoc accommodation and expand non-violent channels for resolving grievances, without claiming to "mediate" a civil conflict itself. The 2025 escalation demonstrates why this distinction matters.

Heineken's DRC experience suggests that responsible business conduct in high-conflict environments is not only about managing the risks of "staying" or "exiting," but about using windows of partial stability to invest in durable peace-enabling conditions. However, when governance breaks down and violence escalates, business influence is constrained and losses can be severe. Over time, weak state-building carries very high economic and social costs.

## 9. Nepal- Peacebuilding Through Trust Infrastructure

Despite the 2006 Comprehensive Peace Agreement that ended a decade-long Maoist insurgency, Nepal's experience shows how fragile stability can remain when underlying grievances persist. High levels of inequality across ethnic, caste, class, and regional lines, combined with governance and accountability gaps, have led to recurrent cycles of unrest even in the absence of large-scale armed conflict.[71]

These risks became visible again in September 2025, when youth-led protests on corruption and governance failures escalated into widespread violence and arson, damaging both state institutions and private assets. The government estimates placed total losses at approximately US$586 million, including significant damage to private-sector property (US$ 240M).[72] For businesses, the effects included operational shutdowns, supply-chain disruption, tourism cancellations, and higher insurance and financing costs, all undermining confidence in the investment environment.

Nepal's significance lies in the presence of a formal peace architecture, including the Ministry of Peace and Reconstruction, the Nepal Peace Trust Fund, and Local Peace Committees, alongside recurring instability. In practice, the reach and effectiveness of these national mechanisms have been uneven at the local level, particularly in addressing day-to-day grievances and dispute resolution. Earlier protest cycles in 2006–08 and 2015 reveal a consistent pattern in which unresolved grievances re-emerge as governance crises, imposing repeated high costs on firms.[73] These episodes function less as a temporary shock than as a structural drag on domestic enterprise, particularly for SMEs embedded in affected communities.[74]

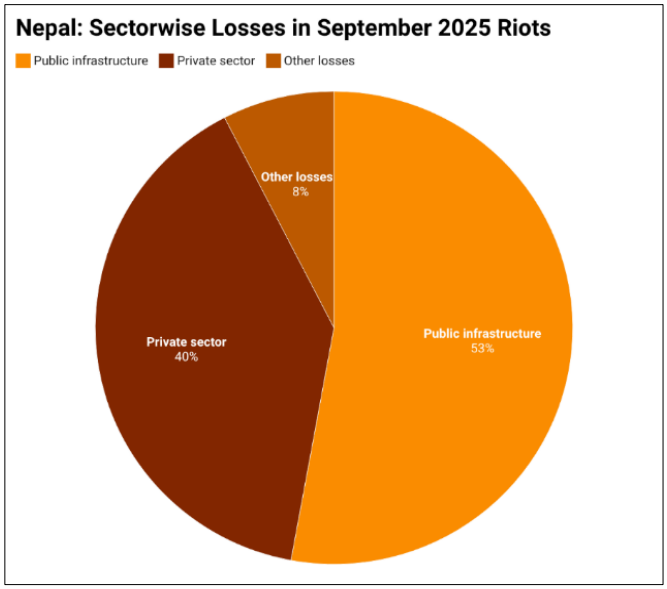



*Figure VI. Estimated sector-wise losses from the September 2025 riots in Nepal, with over 40 percent of total losses borne by the private sector. Source: Reuters*

For businesses, Nepal illustrates peacebuilding as "trust infrastructure." Investments that support community mediation, inclusive dialogue to prevent escalation, shorten recovery cycles, and protect long-term commercial interests. Such investments differ from traditional CSR initiatives; they function as preventive risk management tools that help stabilise operating environments during periods of political stress. A further lesson is that peacebuilding systems need routine quality checks. Leaders and stakeholders should periodically review coverage, accessibility, and outcomes at the local level, and strengthen accountability so new mechanisms deliver genuine conflict prevention rather than symbolic compliance.

## 10. Colombia's Evidence from Coffee Sector

Colombia's five-decade civil war, the longest in the Americas, displaced millions and imposed high and persistent costs on rural economic activity. Coffee-growing areas were among the most affected.[75] Insecurity fractured social relations, weakened producer organisations, and constrained investment long after national-level growth recovered. Violence, displacement,

and a limited state presence raised transaction costs, disrupted production, and left entire regions cut off from formal markets.

Colombia's coffee growers' association, the Federación Nacional de Cafeteros (FNC), represents close to 550,000 coffee-growing families and operates across many of the country's most violence-affected regions. More than 160,000 FNC members were killed or displaced during the conflict period beginning in the 1960s, making insecurity endemic to production.

With no clear prospect of peace in sight in the early 2010s, parts of the sector began to engage directly in local peacebuilding as a way to manage risk. The most prominent initiative was Footprints of Peace (Huellas de Paz), a US$9 million program implemented between 2011 and 2015 by FNC with support from the Spanish Development Agency. Rather than attempting to reduce armed violence directly, the program focused on family- and village-level community reconstruction, addressing social cleavages such as domestic violence, gender inequality, and local mistrust in some of Colombia's most violent municipalities.[76]



*Image III. Colombia's Coffee Growers. Image Courtesy: FNC*

Most participants benefitted in terms of stronger social cohesion and cooperation, with some tangible economic benefits, especially where local trainers were closely involved. But the gains were uneven and often faded after funding ended because there was no strong handover plan and local institutions did not take ownership or scale the work.

Following the 2016 peace accord, improved security conditions and expanded territorial access altered the investment landscape. Policy instruments such as the Obras por Impuestos" (Works for Taxes) incentivized private companies to invest a portion of their income tax payments directly into public infrastructure and social development projects in regions historically affected by armed conflict.[77] Such mechanisms created a structured public private pathway for firms to engage in vulnerable territories while reducing political, implementation, and reputational risks.

In 2019, FNC and USAID launched Coffee for Peace, a strategy explicitly linking post-conflict recovery to export markets. The initiative targeted 34 municipalities across six departments, integrating coffee from conflict-affected areas into national and international value chains. At launch, FNC reported exports of nearly 400 tonnes of coffee valued at US$1.4 million

under the program, highlighting income stability and market access as a more durable peace incentive.

International firms also responded with investments and scaled-up operations. Nestlé Nespresso expanded coffee sourcing into Caquetá, a region where production had collapsed after decades of conflict and displacement.[78] Similarly, Italian brand Lavazza worked through its Coffee as a “megaphone of peace" project in Meta, another isolated rural department that over the years has suffered the violence of the civil war. Improved access and security allowed these companies to rebuild local supply chains, invest in farmer support, and launch products, explicitly framed around the opportunities created by peace.[79] For the firms, the peace dividend was tangible. It reduced supply chain risk, restored long-term access to high quality beans, and enabled premium market monetisation through origin-based branding.

Colombia’s experience suggests that better security unlocked business expansion and improved farmers’ income, but progress was uneven and sometimes short-lived. Community programs worked best where trusted local teams stayed engaged, and market initiatives helped where basic security and organisation were already in place but neither could substitute for effective governance. Without institutionalisation and public capacity, peace dividends remained fragile, and stabilisation remained partial rather than transformative.

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