



Investing in sustainable peace:
Current landscape and the way forward on financing for conflict prevention, peacebuilding
and sustaining peace

17 April 2020 8:30 – 10:00 AM
Virtual Roundtable

To strengthen the implementation of the UN Peacebuilding and Sustaining Peace resolutions, especially at the country and regional levels, the Dag Hammarskjöld Foundation (DHF), the Global Network of Women Peacebuilders (GNWP), the Global Partnership for the Prevention of Armed Conflict (GPPAC), and the International Peace Institute (IPI) have initiated a series of roundtable discussions to examine the strategies and pathways towards the operationalization of Peacebuilding and Sustaining Peace. The series aims to convene member states, UN staff and civil society representatives working at expert level on peacebuilding and sustaining peace to discuss key thematic areas of relevance to the implementation of Sustaining Peace resolutions and to ongoing processes of reform that aims to make the UN more effective in living up to its prevention mandate.

This roundtable, held virtually due to the novel coronavirus (COVID-19) pandemic, built on previous discussions held in 2020, which focused on the expectations for the 2020 peacebuilding architecture review, mandated by the Peacebuilding and Sustaining Peace resolutions (A/RES/70/262 and S/RES/2282); and on the progress and lessons learned in operationalizing a comprehensive action on policy coherence in peacebuilding.

Adequate, sustainable and accessible funding continues to be a major concern and a prerequisite for policy coherence and for enabling the implementation of the Peacebuilding and Sustaining Peace resolutions more broadly. Over the past few years, numerous discussions on how to address the recognized lack of adequate and predictable financing for peacebuilding have taken place. Partnerships have been strengthened and new ones formed, including with private sector actors and international financial institutions such as the World Bank. Member States have continued to make voluntary contributions to the Peacebuilding Fund (PBF) with some providing multi-year funding.

Overall, however, limited progress has been made on financing for peacebuilding, and the unmet needs for peacebuilding financing and the challenges with the way funding is currently structured persist. As the 2019 Interim Report on Peacebuilding and Sustaining Peace (S/2019/448) notes, “financing committed for peacebuilding activities at present is unpredictable, ad hoc in nature and insufficient to ensure that the root causes of conflict are addressed.” When funding for conflict prevention and peacebuilding is available, it is often not accessible to grassroots organizations and local peacebuilders, including women and youth peacebuilders.

In times of crisis, such as COVID-19, the effects of these challenges are compounded. The virtual roundtable discussion provided a platform for participants to identify good practices and provide recommendations for making funding more accessible and responsive, as well as discuss the specific challenges faced by peacebuilding financing mechanisms during times of crisis.

The following is a summary of the themes, takeaways, and key recommendations raised during the discussion:

- ***The need for Flexible Funding Modalities***

The COVID-19 outbreak and other similar crises amplify the need for flexibility in ensuring that interventions proactively address emerging challenges. As such, the concept of “radical flexibility”¹ – grantmaking and funding that focuses on providing core support with limited administrative burdens – underpinned the discussion.

Many discussed the barriers posed by project-based funding for peacebuilding, as it does not invest in building the capacities of peacebuilding organizations, does not enable organizations to pivot quickly to address contextual realities and is generally too short-term in nature. Administrative burdens posed by donor requirements and reporting cause a strain on organizations, and divert human resources, time and effort from conflict and violence prevention to fundraising and donor reporting. As a result, organizations become overwhelmed with delivering on donor-requested projects and unable to prioritize their own locally-informed solutions or remain flexible in their approach. Moreover, as participants noted, there is also a tension between the need to measure and document projects’ outcomes and impacts, and the need to invest in long-term and transformative approaches, since programs with donor-imposed outcomes that are the most “measurable” are often the least transformational.

Core funding, in contrast, allows organizations to build institutional capacity, respond and adapt to crisis situations in a much more flexible way, and focus on long-term strategies for peacebuilding and sustaining peace. In this context, participants expressed concerns that the trend in financing peacebuilding programs is moving towards more earmarked funds that are donor-driven, further hindering financial flexibility. As Member States and other donors set funds aside for specific purposes, it not only reduces the flexibility of the funding but removes local voices from the decision-making processes, shifting the relationship to a much more transactional one, rather than a genuine partnership.

One proposal for easing the administrative burdens that project-based funding creates was for donors to agree on common reporting requirements and to provide technical support in response to needs identified by local organizations, which would allow for investment in bolstering the capacities needed to carry out sustainable projects. Another key recommendation was to include local stakeholders – including women and youth peacebuilders – in the design of donor priorities.

The Women’s, Peace, and Humanitarian Fund (WPHF)² was highlighted as an example of good practice, designed to stimulate a significant shift in women’s participation and leadership in conflict contexts through pooling funding and channeling it directly to local women’s groups. All of WPHF funding is directed to civil society groups working in local communities directly affected by conflict or humanitarian

¹ “Radical flexibility” is a term coined by Peace Direct and Riva Kantowitz in the report “Radical Flexibility: Strategic Funding for the Age of Local Activism”, available at: <https://www.peacedirect.org/us/publications/radicalflexibility/>

² Learn more on their website: <https://wphfund.org/>

agencies. Moreover, civil society also sits on the Fund's global Board and country-level Steering Committees, and meaningfully participates in defining the priorities of the Fund as well as in making decisions on fund disbursement and allocation at both global and national levels.³ WPHF offers flexible funding, and through its participatory set-up enhances women's participation for more resilient and sustainable peace.

However, operational constraints in changing the current funding models were also raised. For governments and larger organizations like the UN, small grants tend to be inefficient because of the transactional costs involved. While some suggested that a way around this could be to offer larger grants to established national and international NGOs who would be tasked with reporting and managing donor requirements, others expressed concern that this moves decision-making and power further away from those whose lives are most affected by conflict and who know best how to solve challenges in their own contexts.

- ***Ensuring local ownership in the COVID-19 response and Sustaining Peace***

Many participants expressed concern about the various challenges that COVID-19 poses to carrying out and implementing peacebuilding and sustainable peace activities. Local and community-based peacebuilding actors are at the forefront of providing peacebuilding support.

The approach of the Women's Peace and Humanitarian Fund was again raised as a positive example. Supporting roughly 130 civil society organizations working on implementing the Women, Peace and Security (WPS) agenda at the local level, WPHF was quickly able to establish financial interventions in response to COVID-19. Following a survey of their partners, they set up two funding streams, one on institutional building for civil society organizations working on WPS, and a second funding stream to support programs at women's organizations to enable them to extend their current work to addressing challenges posed by the pandemic. Participants noted that international and regional organizations needed to elevate such lessons learned and best practices so that localization becomes a core peacebuilding practice in response to crises.

Reflecting on the financing realities in the face of the COVID-19 pandemic, participants expressed their concerns that because governments tend to increase humanitarian funding in times of crisis, they may neglect more medium- and longer-term strategies for peacebuilding and sustainable peace. Participants emphasized that these strategies should come in the aftermath of a crisis but also be integrated as an early response mechanism and a strategy for building resilience.

In this context, participants discussed ways to effectively change and influence donor behavior to ensure that long-term peacebuilding and conflict prevention goals are not neglected. Some proposed conducting advocacy work at the national government level, including identifying individuals within parliaments to champion peacebuilding interventions, including in the context of crises. As such, it is important to facilitate discussions with governments and government officials to build awareness of the benefits of strengthening institutions and capacities for local and regional peacebuilding activities.

- ***Support for the United Nations Peacebuilding Fund and the Role of the UN in Financing for Sustainable Peace***

³ WPHF, "About us", <https://wphfund.org/our-mission/>

The United Nations Peacebuilding Fund (PBF) was established as the UN's financial instrument for sustaining peace and peacebuilding activities. During the roundtable, many reaffirmed that the PBF plays a critical role in financing sustainable peace, especially with regard to promoting coherence. However, some noted that access to funds was at times difficult for non-governmental organizations and local organizations due to the complex requirements that many organizations do not have the resources to complete, and the lengthy process. Some pointed to lessons from the blended financing model used by the UN for much of its climate and humanitarian financing as a potential way forward.

Comprehensive financial strategies that connect peacebuilders and peacebuilding activities to possible sources of funding in a systematic way are missing, and predictable sources of funding are extremely difficult to obtain. In order to drive up predictable and voluntary contributions from member states for the PBF, it was proposed that a high-level pledging event be convened. In this vein, it would be useful for the PBF to improve and diversify its communication strategy to secure investments from potential contributors. Participants also underscored the continued need for stronger partnerships with private actors and international financial institutions, as a way to generate more predictable and flexible funding for peacebuilding and sustaining peace. The UN should leverage its strategic position to bring various peacebuilding actors, including donors, governments, private philanthropists, and international financial institutions, together.

There are many different actors, who play important roles in the financing process, and more work needs to be done to better understand the respective strategic advantage of each funder and ensure innovative financial partnerships are cultivated. For example, where governments or the UN are not necessarily equipped with the administrative capacity to monitor a \$10,000 grant, a private philanthropic group or another organization may be a more appropriate fit. All peacebuilding actors, including the UN, international financial organizations, non-traditional donors, and bilateral and multilateral organizations, have their role to play in supporting local actors and financing sustainable and innovative methods of peacebuilding.

- ***Ensuring Sustainable Peace in the context of Mission Transitions***

A closer look into mission transitions provides useful learning for peacebuilding financing. In the context of mission transitions, it is important to consider the macroeconomic impact of these missions in order to ensure that financing for peacebuilding activities are sustained during drawdown and after a mission leaves.⁴ Drawdown and closing of peacekeeping missions is often still seen by the UN as a logistical exercise, rather than a complex process in which it is critical to ensure that gains made by the peacekeeping mission are sustained well after its departure.

Participants pointed out that it is critical to take into consideration the economic context in transitions and situations of mission drawdown. This proved to be an issue in Liberia when the International Monetary Fund (IMF) attempted to put in place structural adjustments. There is a huge risk of capital flight when missions leave. For example, missions provide employment to local contractors, but often, when a mission leaves, contractors are left without employment opportunities. Making economic stability one of the criteria or elements of a mission's mandate could enable other actors to come in after a mission's departure and productively invest in sustainable peacebuilding projects.

⁴ OECD (2020), "Mission drawdowns: Financing a sustainable peace: Sustaining gains and supporting economic stability post UN mission withdrawal", *OECD Development Policy Papers*, No. 28, OECD Publishing, Paris, <https://doi.org/10.1787/a0b4c681-en>.

In mission transitions, development actors, international financial institutions and private donors should be encouraged to carry out peacebuilding activities and to effectively build inclusive national capacities so that the heavy lifting does not fall on UN Country Teams. When developing a financial strategy, it is important that the strategy is inclusive of what the government can and will provide and that it takes key gaps into consideration. Peace and security assets need to be sustained, and civil society capacities need to be maintained independently of the mission.

Recommendations:

The current COVID-19 pandemic is an opportunity to develop transformative ways of working. In particular, longer-term and flexible approaches to financing should be advanced, which prioritize and respond to the needs of local partners. This change will in turn lead to stronger and more sustainable conflict prevention and peacebuilding outcomes.

The following recommendations should be taken into consideration:

- (1) Donors should invest in flexible core funding rather than earmarked and project-based funding that is too rigid and unable to address the needs of local populations.
- (2) Donors should integrate locally-led and gender-responsive peacebuilding interventions in crisis responses from early stages. Such interventions should be designed through facilitating discussions with local activists and peacebuilders on the ground and ensuring their local expertise is included in comprehensive and appropriately financed responses.
- (3) Current financial structural approaches must shift from transactional to relational partnerships, to ensure community-led and local expertise is included at all stages of the funding cycle, from design of priorities, through funding disbursement, implementation and reporting requirements, and capacity-building is prioritized to end the cycle of donor-dependent models.
- (4) Donors should increase their investment in tackling root causes of conflict through sustainable interventions. This includes increasing funding for sustainable, long-term programs and organizations that address root causes of conflict.
- (5) Peacebuilding and conflict prevention organizations should consider expanding their network of donors to include philanthropic organizations and foundations, as well as private actors.
- (6) The UN – particularly the Peacebuilding Commission – should further strengthen its role as a convening entity and bring together various actors to discuss funding related matters regarding peacebuilding, including radical flexibility. Actors that the UN should consider convening include governments, private philanthropists, civil society, and international financial institutions.
- (7) The UN should show leadership in advancing innovative approaches to financing for peacebuilding as project-specific grants are not always an effective tool, particularly for local organizations due to a lack of flexibility and high administrative burden, and they perpetuate dependency on external resources. Tools such as community-led financing and other innovative finance approaches should be developed and piloted along with local stakeholders to determine how they might be best utilized to support peacebuilding.
- (8) In order to support sustainable peacebuilding in the context of mission transitions, building national capacities must be a part of financing strategies for the transitions. The economic

situation in peacekeeping contexts needs to be carefully assessed and considered in exit strategies to ensure that peacebuilding gains made by missions are sustained after the mission's departure.