Financing for Peacebuilding and Sustaining Peace:
Lessons Learned for Impactful and Inclusive Financing for Peacebuilding and Resilience in the MENA Region

An expert-level consultation as input to the
2025 Review of the United Nations Peacebuilding Architecture[1]

Summary Note

The MENA region is marked by a confluence of intersecting challenges, including violent conflict, climate change, food insecurity, migration and high youth unemployment. Despite the increasing impact of these challenges on the states and their communities in the region, financing for peacebuilding to prevent conflict and build resilience across the conflict cycle is diminishing, further enabling fragility and violence across the region.

Official Development Assistance (ODA) that is allocated to peace is decreasing. In 2021 it amounted to 10.8% of total ODA from DAC countries (or USD 5.27 billion) – a fifteen-year record low. By contrast, DAC members' humanitarian spending in fragile contexts amounted to 27.7% of total ODA (USD 13.5 billion) in 2021 – a record high. As perceived by the participants of the consultation, peace grants make up only a small part of ODA provided by the donor community in the MENA region. This in part diverts focus from peacebuilding and forces local peace and resilience actors to adjust their strategies in line with the expectations of donors with available resources. Limited funding often further raises competition among diverse peacebuilding stakeholders, including the UN and local actors, over available resources for implementation.

Despite the UN General Assembly's call for increased coordination among the donors on financing for peacebuilding in resolution 76/305, coordination between donors across the HDP nexus, and specifically on peacebuilding, remains challenging. First, due to global political shifts, donor countries are changing their processes and approaches to peacebuilding, affecting the alignment required for effective coordination. Second, there remains a lack of conceptual clarity about what the peace pillar entails. Peacebuilding is understood by stakeholders in the region through the prism of the specific context in the Middle East: the term 'peace' is closely associated with the Middle Eastern peace process, rather than as a positive and prevention oriented conception of peace grounded in the everyday aspirations of all people in the region as defined in dual resolutions on peacebuilding and sustaining peace (A/RES/70/262-S/RES/2282; A/RES/75/201-S/RES/2558). Local peacebuilders, on the other hand, see the great value in peacebuilding as a broad agenda that encompasses strategic interventions to address all issues affecting peace and security of communities from conflict to migration to climate change to dignified livelihoods.

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[1] Find the summary of the December 2023 civil society consultation with young peacebuilders in the MENA region at: https://gppac.net/resources/financing-and-coordination-strategies-support-local-actors-mena-region

There has also been growing recognition by the multilateral system, including international organisations, donors and national governments, of the importance of local actors and their networks as critical agents in peacebuilding and sustaining peace at the field level. Within the context in the Middle East, it is clear that the persistent absence of positive peacebuilding action rooted in local realities, experiences and needs contributes significantly to the fragility and violence across the region. The localisation of aid however calls for a fundamental change in how aid is planned and delivered, challenging all actors to work differently and challenging the existing structures of the international, regional and national aid architecture to adjust their processes in a way that responds to local realities, experiences and needs.

The current context specifically calls for the change of donor behaviour, as donors have the access to the processes that can shift the way peacebuilding is done at the local level.

The following key takeaways emerged from the discussion:

1. **There is a growing recognition of the need to localise peacebuilding action for impact.**

The participants recognised that there is a degree of conceptual ambiguity on what localisation is and what it entails. Generally, the participants agreed that localisation is about the shift of power. Principally, localisation entails a certain degree of letting go ("trust the process") and is resource intensive. Procedurally, co-creation (which by itself needs to be further defined) at every step is an important component of localisation. However, the challenge lies in the ability to outline how specifically to localise aid within the constraints faced by the donors[2].

Localisation of peacebuilding and sustaining peace includes the following principles:

- *Prioritising locally-determined priorities in financing strategies:* As the conversation in the global policy debate has shifted towards increased attention to the impact of peacebuilding action at the local level[3], there is a growing recognition that impact stems from context-specific action driven by local realities, experiences and needs. This approach puts the context ahead of the donor's needs. Therefore, bilateral and multilateral donors should:
    - *consult local actors as part of the development of their financing strategies through the process of 'co-design' or 'co-creation'.*
    - [General Assembly resolution 76/305](#) encourages all financing stakeholders to increase coordination and collaboration with local actors on financing national priorities. There are some good practices in consulting local communities in the process of deciding on the focus of available grants:
        - For example, the Women Peace and Humanitarian Fund consults with local organisations about their priorities to design grants to be distributed at the local level.

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[2] Find some of the options for the donor community to support local action at: https://gppac.net/files/2022-04/GPPAC%20Report%20...Financing%20Local%20Peacebuilding_V2-1.pdf

[3] [A/74/935-S/2020/645](#), p. 3

- Similarly, the GPPAC's Youth-By-Youth model involves young peacebuilders in peer review and the decision on disbursement of funds for their peers. Such models result in projects responsive to the needs determined by local actors themselves.
- *explore local modalities for the operationalisation of the HDP Nexus.* The need for a comprehensive action across the existing divides within peace, development and humanitarian action creates operational challenges for the donor community because funding is normally organised by sector. Local actors can provide inspiration to donors and development partners on how to approach this challenge. Local actors rarely classify their work as either peacebuilding, development or humanitarian action. Instead, they are guided by the needs of the communities they serve. They start with the question 'what does peace mean to you?' posed to the community members and proceed to identify risks and adaptive capacities that need to be considered in designing effective and comprehensive action. Some development partners started practicing comprehensive approaches:
    - For example, UNDP's portfolio approach is based on [the system and portfolio approaches toolkit](#) that looks at specific interconnected issues determined through collaborative stocktaking. It requires the entire ecosystem of partners to work together towards a transformative change rather than incremental results. Such an approach cuts costs for the donors of repetitive programming as well as transaction costs.
- *Engaging with local peace and resilience actors as equal partners:* Local actors rely on donors to approach their relationships equitably. This requires meeting local partners 'where they are' and 'embrace the unknown'. In shifting the way donors partner with local actors on equal footing, the following steps could be considered:
    - *Strengthening organisational development for local organisations:* Local organisations indicated that not every local peace and resilience actor has technical capacity to directly engage with donors and policy makers. Technical support as such includes core funding and the provision of tools and resources (i.e., advocacy skills, program development and fundraising) that enable local actors to effectively realise their own ideas and ensure sustainability of their work. Further, many pooled funds now include the requirement for mandatory capacity building to be present in grant distribution–see the RDPP example below. Such models can be replicated in other contexts and across different sectors.
    - *Supporting networks, coalitions and intermediary partners that are locally-led and locally-rooted.* Many local actors rely on their networks, coalitions and intermediary partners to provide crucial technical support. The donor community can support networks and coalitions that promote joint learning (including learning by doing), share access, build on their individual strengths, avoid repetition of efforts, and divide tasks among themselves. However, it is important to make sure that networks and coalitions do not impose particular priorities on and redefine the needs of local actors. The donors also have to develop a criteria for networks, coalitions and intermediary partners to ensure that their role is in providing technical support while local actors are in the lead of the decision-making.
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- *Developing trust in local peace and resilience action, allowing for flexibility and adaptivity*. Local peacebuilders report that consistent demand for delivery on selected project outputs creates anxiety and limits their creativity and ability to react to the changes on the ground as they appear. Donors could consider loosening restrictive logframes that often diminish creativity and, instead, embrace the unknown to test local capacities to enhance the possibility for impact of local action. Donors could start with pooling small amounts of money together to test alternative approaches in a few selected contexts and measure the impact, before scaling up flexible and adaptive approaches to peacebuilding financing.
- *Encouraging accountability for localisation.* Participants suggested that both the UN and the donor community should be held accountable for progress in advancing localisation. Support for local actors should not be an individual's initiative but rather an institutional obligation. In this regard, it was proposed to include specific activities and performance indicators to promote localisation in the ToRs for UN leadership at the global and field levels. The 2025 PBAR can propose what the framework for localisation would look like. The donor community can also develop accountability criteria by consulting local actors on their priorities and, on the basis of such priorities, determining time-bound indicators for donor action. See the example of the Localisation Taskforce below.

2. In the current political reality, donor coordination is essential for impactful local action:

Previous research has established that local and national actors' engagement in coordination improves the quality of humanitarian aid.[4] While the data is missing, the participants and interviewees suggested that coordination among local and national actors could also improve the impacts of financing for peacebuilding. Existing donor coordination mechanisms do not organically include civil society representation. Instead, local civil society works with the development system designed by the donors themselves, sometimes in partnership with the national governments.

Lessons from existing donor coordination models provide several opportunities and challenges that need to be reflected on to allow for improvement in the quality of financing for peacebuilding. Through the roundtable conversation and follow up interviews, participants highlighted several opportunities for donor coordination to enable higher quantity and quality of funding for local actors:

- *Donor coordination requires a coordination mandate.* The majority of existing coordination platforms usually serve as a space for learning and exchange and do not have proper coordination mandates. Such a mandate requires donors to relinquish their authority over funding in favour of commonly determined priorities. There are three

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[4] IASC. (2021). Guidance Note: Strengthening Participation, Representation and Leadership of Local and National Actors in IASC Humanitarian Coordination Mechanisms. IASC Policy and Advocacy Group (OPAG).

potential modalities that could support donor coordination with the focus on localisation[5]:

- *Initiate and invest in pooled funds that support local actors.* In addition to absorbing risk, pooled funds provide the technical capacity to disburse funds without significant investment. When pooled funds are rooted in participatory grant-making strategies[6], they are one of the most effective ways to mitigate low capacities within some embassies and capitalise on local expertise for more impactful action.
- *Testing alternative funding instruments.* The Regional Development & Protection Programme (RDPP) in the MENA Region is a funding instrument currently geared towards localising aid. Funding is directly available to civil society to request a budget for tailor-made capacity development activities, based on their view of their own organisational or institutional needs. The secretariat for this instrument (based at the field level) was accessible to support partners with issues that arose during implementation through a co-creation process.
- *Establishing donor coordination platforms that provide some monitoring of progress towards localisation.* Integrating accountability in donor coordination mechanisms is always a challenge. The Localisation Task Force in Amman is co-facilitated by one representative from each of the following entities: 1) donor, 2) INGO umbrella organisation, 3) local NGO umbrella organisation, and 4) the UN. The Taskforce aims to regularly inform existing relevant donor groups, as needed. The expectation is that the donors or donor groups will take up clear joint objectives towards localisation and voluntary report against those objectives with very light monitoring.

- *Donor coordination requires significant resourcing.* Based on the lessons learned from the operationalisation of a Localisation Task Force for the last three years, it is evident that coordination requires significant resourcing and staff capacities for all actors involved. Local peacebuilders, as well as the other coordination partners, need to have dedicated staff, resources, technical capacity and language ability to participate in such modalities. However, the UN, donors and local actors are rarely compensated or have resources for coordination. Therefore, the success of coordination is heavily reliant on individual commitment. With regular shifts of staff at the field level, this approach is not sustainable. One option to strengthen coordination capacities is for each partner to hire a dedicated staff with the coordination capacities indicated in the ToRs for respective positions.
- *Donor coordination requires unification of bureaucratic processes.* The current global political dynamics make donor coordination more complicated. Instead of moving towards unification of reporting and documentation, donor processes and priority areas are further diverging over time. It imposes higher burdens on local actors to apply for funding from several different donors and makes donor coordination impossible in practice.

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[5] These mechanisms have the potential to 1) improve skills, knowledge, and performance of local partners, 2) allow local partners to concentrate on their vision and longer-term strategies, 3) transfer the capacity development support to the local partners, and 4) expose civil society to additional donors to develop bilateral relationships.

[6] Participatory models can create conflicts of interest. Some civil society who had been in steering committees and advisory bodies to the pooled funds in the MENA region had to withdraw to obtain resources from this fund.

- *Donor coordination models must be context-specific.* While the participants recognised that ideally, a national government should sit at the table and take leadership in the development of their country and all aid coordination efforts, this poses challenges in the MENA region. Some of these challenges include the government's insufficient capacities and lack of political will to take on this role, as well as the lack of trust and competition between governments and civil society.
- *Coordination is effective with a small number of partners.* Simplified donor coordination platforms - including with limited number of representatives of larger donor groups and civil society - can strengthen donor coordination efforts, as it is hard to find consensus when a lot of stakeholders are involved. Coordination platforms could bring together representatives of various donor groups and civil society umbrella organisations to coordinate on behalf of their constituencies.
    - The representative models raise the questions of credibility and legitimacy. The decision of who represents civil society is a complex question that donors are still grappling with. In this, donors should resist the tendency to decide on representation for civil society actors and act as transparently as possible in regards to decision-making. Donors can simply ask civil society to come up with a collective nomination, without expressing preferences or determining a prescriptive criteria.

- *Coordination requires transparency.* Participants and interviewees called for greater transparency and dialogue between donors and civil society about the limitations that donors are facing. For example, in Jordan, 30% of the budget for the first NAP on WPS went to civil society. This is a significant achievement, based on existing practices. Yet there was still criticism of not enough money being allocated to civil society. There should be clear and consistent expectation setting and understanding of limitations faced by all partners. Further, the communication can be improved when it comes to the feedback loop and explanation of why proposals by civil society were not accepted.

3. **The financing for peacebuilding landscape is shifting:**

Local peacebuilders in the MENA region assume that funding always comes with a political agenda. They are currently extremely suspicious of international partners and have lost confidence in some donors. With the escalation between Israel and Palestine, funding started emerging locally in Palestine to avoid getting resources from many Western donors. The examples of alternative funding models include:
- Peace of Art Lebanon has pioneered a unique model that integrates cultural and community activities to generate financial support for youth-led peacebuilding programs, including emerging enterprises (i.e., cultural shows and local meetings).
- Amid the challenges posed by the COVID-19 pandemic and ongoing occupation, a community-based organisation in Bethlehem, Palestine, launched a pioneering project focused on sustainable agriculture, harnessed local resources and community solidarity to empower women and promote food security.