Innovations in Donor Bureaucracies and the Implications for Peacebuilding Financing

Donors face increasing pressure to do more with less, even in the most fragile contexts. This brief analyzes how organizational factors within governments create obstacles for good peacebuilding financing—and proposes options for overcoming them.

Several donor countries have recently adapted, or are now starting to adapt, the bureaucratic structures and procedures that manage their overseas assistance programs. These efforts relate to issues such as the composition and mandate of different ministries, departments, divisions, teams, and/or agencies, and related institutional procedures, such as reporting lines or sign-off procedures on budget allocations. In this paper we focus on the implications of these structures and procedures for efforts to improve the coherence of peacebuilding financing strategies, emphasizing appropriate support to the peacebuilding pillar of the “triple nexus” or humanitarian-development-peace (HDP) nexus.

The unfolding conflict in Ukraine is just the latest example that demonstrates the urgency of developing better approaches to peacebuilding, and greater coherence in crisis context more generally.

While organizational changes in donors are inevitably driven at least in part by political factors, various arguments are used to justify reforms, many of which center around promises of improved coherence, agility, and effectiveness. In the UK, for example, a common line of government justification of the 2020 merger of the Department for International Development (DFID) and the Foreign and Commonwealth Office (FCO) into the Foreign, Commonwealth & Development Office (FCDO) was that “the creation of the FCDO enables integration of international development and foreign policy, and lowers the risk of different parts of government working independently of each other, preventing the UK from speaking with one voice internationally and from being able to act quickly
Improving coherence and improving coordination are regarded as increasingly urgent goals for the international community. This is particularly true in the case of peacebuilding financing.

As situations arise.¹ Similarly, the imperatives of intra-governmental cooperation and policy coherence were among the justifications provided by Canada and Australia to justify the integration of their development agencies into their foreign affairs ministries.²

Improving coherence and coordination are increasingly urgent goals for the international community. This is particularly true in the case of peacebuilding financing, where fragmentation of funding streams and a lack of coordination with the other pillars of the HDP nexus are significant and enduring problems. For advocates of the nexus, it is important that this fragmentation is addressed, on the grounds of both effectiveness and efficiency. Fragmented, inflexible funding streams can make it harder for donors to capitalize fully on the comparative advantages of each pillar; less able to develop coherent peacebuilding strategies that address the multiple drivers of fragility, conflict, and poor governance; and less responsive to the interconnected needs of vulnerable people. In addition, siloed funding streams and programming can undermine the overall effectiveness of programming (whether peacebuilding, humanitarian, or development) by placing additional administrative burdens on partners and host and donor governments.

The aim of a triple nexus approach is to reinforce connections between humanitarian, development, and peace and stabilization actors in order to build on the comparative advantages of each. In principle, this involves either the simultaneous or sequential use of humanitarian, development, and peacebuilding instruments. In practice, however, the nexus approach has proven difficult to realize, despite numerous restatements of policy commitments in recent years.

While this report touches on coordination and coherence across the nexus, our primary interest is in peacebuilding. Building synergies with the peace aspect appears to present particular challenges for some donors and implementing agencies, and as a result, the peacebuilding pillar can be comparatively neglected. As other research has noted, dedicated funding streams for peacebuilding tend to be smaller and more ad hoc than established humanitarian and development funding systems, which typically have dedicated budget envelopes and bureaucratic structures built around them. In 2017, funding for peacebuilding activities constituted only 2% of official development assistance for Sweden and 5.1% for the UK. In these institutional contexts, peacebuilding is often less established as a separate policy domain in

its own right and often approached through either a development or a foreign/security policy lens.³

Difficulties in operationalizing the triple nexus—including providing appropriate, flexible, and well-coordinated financing for the peacebuilding component—stem partly from the fact that donors’ organizational structures and procedures were not typically designed to support the required coherence and flexibility in strategic planning and provision of finance. Peacebuilding, by its nature, often involves cross-cutting activities that span humanitarian, development, and stabilization/security activities. As a result, it can be difficult for donors to develop coherent financing strategies from within their existing administrative and organizational structures. In this note, we focus on four closely related organizational features that may help explain those difficulties—and point to possible solutions:

- Siloed teams and budgets
- Rigid reporting lines and mandates
- Centralized decision-making
- Thematic rather than geographic teams

The following section works through each factor in turn, explaining the relevance to nexus approaches (with particular focus on the peacebuilding component), discussing possible structural fixes and workarounds, and synthesizing these points into core principles for international partners to consider.

However, structural changes are unlikely to generate shifts in individual and organizational behavior in the absence of complementary efforts to look at staffing culture, leadership, and incentives. As such, a final section and recommendation looks at how leadership and incentives are important complements to structural reform or procedural fixes.

How do organizational factors contribute to, or detract from, coherence and flexibility?

As outlined above, improving coherence, coordination, and flexibility are urgent goals for the international community when working in fragile contexts. Linking short-term humanitarian aid with medium and longer-term peacebuilding and development funding is a perennial challenge, obstructing efforts to realize a triple nexus approach. The international community in Somalia, for example, has made progress in recent years in responding to humanitarian needs, but

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studies have found only a limited amount of collaboration and complementarity between different HDP actors. The country’s network of donors was described in 2017 as a “dense maze of foreign and regional donors, UN agencies, NGOs and implementing organizations, and silos between sectors are the norm.”

Pursuing coherent approaches that bridge the divide between humanitarian aid, development cooperation, and peacebuilding funding is generally seen as a critical precondition for moving towards sustainable peace and development in such environments. This section draws on examples and emerging good practices to propose four principles for donors, to help address organizational and bureaucratic obstacles to this kind of coherence.

**Siloes and budget lines**

Organizational siloes and budget line restrictions are among the most commonly-cited barriers that agencies face when trying to respond with flexibility to peacebuilding challenges on the ground, or feedback from affected populations. For example, a 2018 independent review of UN agency funds and program capacity to support the sustaining peace agenda found that “they are reliant on funding that is invariably short-term, fragmented, unpredictable and earmarked, restricting how they prioritize and invest resources to meet long-term, strategic objectives such as sustaining peace.” The UN Secretary-General’s 2018 report on Peacebuilding and Sustaining Peace also notes “issues of fragmentation and competition among funding instruments.”

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joint context analyses, needs assessments, and common outcomes. In addition, the ability to provide flexible financing—which we define here as funding that is not earmarked for a particular project or domain of activity, is predictable across multiple years, and can be deployed relatively quickly—is regarded as a critical success factor in HDP nexus implementation.8

There are common organizational features that have been found to frustrate this kind of coherence and flexibility. Perhaps most notably, today’s donor architecture tends to place humanitarian, development, and/or peacebuilding teams into different ministries, agencies, or other silos. These distinctions are usually accompanied by separate funding cycles, contracting and procurement rules, timelines (annual for humanitarian aid; multi-annual country or thematic programs), analytical tools, and accountability procedures.9

In Germany, for example, two separate federal ministries, each with different funds and instruments, administer most of Germany’s engagement in crisis contexts. This is challenging from a coherence standpoint. German government’s key constitutional and administrative principle is the “departmental principle” (Ressortprinzip), which gives individual ministers a high-level of political autonomy in their portfolios and departments. Consequently, policymaking is steered from within individual ministries, with limited oversight from the Federal Chancellery. While this contributes to checks and balances in German political culture, it limits the incentives for cross-departmental cooperation, including on matters related to financing across the nexus.10 According to the most recent OECD-DAC peer review, this structural arrangement can also create additional burdens for Germany’s partners working in protracted crises and across humanitarian, development, and peace sectors, who have to navigate different sets of rules and eligibility criteria for humanitarian and development aid.11

This separation may be necessary for certain contexts to safeguard humanitarian principles, but it can also create disincentives for HDP actors to collaborate or coordinate their financing strategies, and it can restrict partners’ flexibility in the use of resources on the ground. As a result, in complex crises where structural needs often overlap with emergency needs, this architecture can result in a fragmented set of parallel activities being funded. Those activities

may be relevant individually but may not make the best use of different funding streams to deliver impact. This is especially concerning with respect to funding for peacebuilding because this often cuts across humanitarian, development, and stabilization activities, as noted above.\textsuperscript{12}

A different, and more integrated approach, has been taken by the UK’s FCDO. Building on the approach of the standalone predecessor, DFID, FCDO has a flexible model that allows for the movement of funds to change in line with strategic direction and the specific demands of crisis contexts. This is partly because, unlike many other international partners, FCDO does not separate its development and humanitarian spending budget. Reviews undertaken as part of the OECD DAC peer review process, as well as analyses undertaken by other research agencies, suggest this single-budget model can promote coherence by reducing the transaction costs for financing across the nexus, and transitioning at an appropriate point from financing humanitarian aid to peacebuilding and broader development programming.\textsuperscript{13}

While it is difficult, from the available evidence, to trace or measure the exact contribution that this single-budget model has made in practice to either appropriate financing of peacebuilding or the overall coherence of funding strategies for the nexus, there are numerous recorded examples where DFID supported a flexible transition from crisis response to financing recovery and peacebuilding. For example, in Myanmar in 2018 to 2019, the UK shifted its approach to include more investment in education, health, economic development, governance, peacebuilding, and resilience alongside humanitarian approaches, to address short-term needs and help build resilience and a transition into peace over time. In Yemen, DFID focused on creating close synergies between social assistance and humanitarian cash. In Somalia, DFID supported a move from short-term humanitarian cash transfers to supporting the development of longer-term national systems.\textsuperscript{14}

A single-budget approach may not be feasible for all organizations. Donor governance systems and structures often exhibit significant path dependency due to their foundation in a country’s administrative, cultural and political legacies, which shape the space for realistic reform. That being the case, development actors have developed financing mechanisms designed to ‘work around’ their organizational siloes and move money easily despite budget line restrictions, in response to crises. These mechanisms include designated trust
When humanitarian, stability and development aid instruments are managed by different teams or agencies and tap into different budgets, they also tend to have distinct accountability procedures, creating disincentives for teams to work together and share information. Moreover, separate reporting lines are sometimes maintained despite mergers at the departmental or ministerial level. For example, although Canada has long since integrated its foreign and development ministries, it maintains distinct accountability structures, with explicit peacebuilding work accountable to the foreign minister and humanitarian spending accountable to the development minister.

According to colleagues we spoke to for this research, these distinct vertical accountability structures can disincentivize collaboration across the nexus. For example, the reporting lines mean that, in principle, a development program funds with flexible procedures, crisis reserves or windows, and risk financing tools. For example, to respond more flexibly to humanitarian and development cooperation needs, Switzerland’s SDC can transfer funds to and from its humanitarian and development budgets, up to CHF 120 million. To allow for flexibility in response to unforeseen crises, an annual request is submitted to Parliament as part of the debates on the federal budget, seeking authorization for possible credit transfers between specific budget items.

**Accountability and mandates**

The previous sub-section focused on addressing silos and distinct budget lines for the different pillars of the nexus, noting that these can create fragmented approaches on the ground and contribute to the peacebuilding component of the nexus being comparatively neglected. This sub-section builds on this by looking at closely related issues of accountability and reporting lines, exploring how different organizational approaches and structures for oversight over spending can be more or less conducive to coherent financing of the nexus, and supporting the peacebuilding component. We note that vertical accountability lines and rigid distinctions between thematic and geographic teams have been found to drive fragmentation and incoherence in the planning and provision of finance. We pay particular attention to the problematic implications for peacebuilding, of these structures and processes.

Principle 2: Donors should consider more horizontal reporting lines, and team structures and funding mechanisms that encourage the involvement of peacebuilding and development teams at the early stages of crisis response.

15 OECD, “Humanitarian Development Coherence.”
can work in a siloed way, with little or no interaction with other departments, and still be evaluated positively if it generates development results. In such cases, efforts to work across the nexus are permitted but not incentivized. This example draws attention to the importance of both structure and agency: that organizational structures interact with staffing culture, behavior, and incentives, and that understanding these dynamics is important for efforts to adjust the behavior and outcomes of the organization as a whole. This is a point we return to in section three.

To take another example, the organizational structures and funding channels within the EU tend to drive institutional separation between humanitarian and development support. Although the EU actively supports integrated approaches at the policy level, it maintains separate mandates and reporting lines for the EU Delegation and the European Civil Protection and Humanitarian Aid Operations (ECHO) field offices in particular countries. While this may be constructive for efficient humanitarian support, it has not been conducive to joined up working across the nexus with other international partners and EU agencies.16

The following example illustrates the practical implications of this separation. Following the 2016 World Humanitarian Summit, and as part of a new strategic approach to resilience, EU institutions were encouraged by the EU Foreign Affairs Council to operationalize the nexus in several pilot countries: Sudan, Nigeria, Chad, Uganda, Myanmar, and Iraq. In addition, the pilots sought to address implementation challenges on the ground by enhancing coordination internally within the EU institutions, particularly between the European Commission’s Directorate-General for Development and International Cooperation (DG DEVCO), ECHO, and the European External Action Service (EEAS).

However, based on the evidence available at the time of writing this report, it appears the initiative struggled to move beyond the initial series of joint planning and analysis workshops. Analysis undertaken on these pilots indicates that, in addition to a lack of clarity in terms of desired outcome and deliverables of the joint assessments, the bureaucratic and reporting siloes in the EU structure made it hard to move towards coordinated implementation around the nexus. Furthermore, internal debates within EU institutions on who should take the lead in the process, combined with a lack of clear communication between Brussels HQ and EU delegations on how to manage cooperation between development, humanitarian, and peacebuilding actors, have reportedly

16 Veron and Hauck, “Connecting the Pieces of the Puzzle.”
made it difficult to move from analysis to shared objectives and implementation.17

Evidence from other donors indicates that, even when teams are located within the same overarching division or ministry, the way that responsibilities are allocated between or shared across different teams can either promote or hinder more joined-up working.18 For example, within the Swedish International Development Cooperation Agency (SIDA), the Humanitarian Unit is housed in the Asia, Middle East, and Humanitarian Assistance department, while the senior experts responsible for peace and security are housed in the Department for International Organizations and Policy Support. There is no single locus for development policy or practice as such—this responsibility is shared across all the headquarters’ departments. Staff has suggested that this may be part of the reason why nexus coordination is difficult and why the peace component has tended to default to the humanitarian team: the humanitarian team is a discrete Stockholm-based entity. At the same time, development (including peacebuilding) responsibilities are dispersed throughout headquarters, countries, and regions.19

When nexus coordination and funding defaults to humanitarian teams in this way, it can undermine the coherence and effectiveness of financing and programming for the peacebuilding component. Humanitarian aid is ill-suited for addressing structural needs in protracted crises because it typically operates on shorter-term funding cycles and avoids working through state structures.20 This is a particular challenge for the peace component of the nexus since peacebuilding activities target longer-term risk and resilience factors for conflict. Peacebuilding also typically involves more overtly political engagement than the desired neutrality of humanitarian interventions.

That being the case, a different approach, taken in the past by the Spanish Agency for International Development Cooperation (AECID), is worth considering, for its potential to avoid over-reliance on humanitarian instruments beyond immediate crises and to create incentives for teams to work together towards collective outcomes that support peace. Spain’s development agency has, historically, encouraged the use of development funding early in the crisis response cycle. Under the agency’s management contract, all development desk officers were responsible for supporting recovery and linking to the humanitarian program—moving away from the traditional donor model where

17 Ibid.
19 Ibid.
20 OECD, “Humanitarian Development Coherence.”
the onus is usually on humanitarians. The humanitarian office also promoted 50% co-financing of recovery-focused projects to stimulate the entry of Spanish development funding earlier in the recovery and state-building process. While it is unclear from the available evidence whether this approach had any benefits with respect to peacebuilding financing or results, it could provide a useful model for donors that struggle to move from funding the humanitarian component of the nexus to the peacebuilding component within their existing accountability structures.

It is also worth mentioning a more recent accountability mechanism that has been introduced in the United States. The Global Fragility Act asks the State Department to create—jointly with USAID, the Department of Defense, and other agencies—a coordinated strategy for engaging in fragile settings. The Act includes several provisions to hold these agencies accountable for achieving results, including a requirement to jointly report to Congress on their work in such an environment. While it is too early to report on whether this is making any difference on the ground, it is a promising mechanism for incentivizing coherence and collective action across the nexus pillars, in the absence of single departmental budgets or planning processes.

However—as we discuss further in section three—to incentivize genuinely collaborative working across agencies, it is important that this mechanism is sufficiently visible at senior leadership levels and that staff are appropriately rewarded for their efforts. If not, there is a risk that it will just be a compliance exercise detached from practice.

Centralized or decentralized decision-making

In this sub-section, we discuss how the locus of decision-making in donors can negatively impact financing across the nexus and the prospects for a smooth transition from financing humanitarian activities to peacebuilding (and development). In particular, overly centralized decision-making at headquarters has been found to frustrate the required coherence and flexibility across the nexus at the country level.

Principle 3: Decentralized decision-making can allow country teams to respond flexibly to changing crisis contexts or new analyses. Donors should streamline processes for approving changes and support more decentralized management and decision-making where possible.

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When donors have an in-country presence, moving decision-making closer to staff in-country or in regional configurations and rethinking the division of labor between the different actors could lower the transaction costs of coordination and allow for closer links at the political and implementation levels. Decentralized decision-making can also promote more flexible financing strategies, particularly when supported by a single budget model for humanitarian, development, and peacebuilding spending. The need for flexibility is not unique to government ministries or agencies. Organizations across numerous sectors must grapple with uncertainty and complexity. In a recent study looking at various public sector bureaucracies that have sought to address complex public policy challenges, Sharp found certain organizational features to be conducive to flexibility. This includes a more decentralized organizational structure that allows greater autonomy for mid-level bureaucratic managers and frontline bureaucrats to exercise professional judgment in their day-to-day work.

Major development agencies have a mixed record in promoting decentralization within their organizational constraints. For example, in Germany, political decision-making occurs at the Federal Ministry for Economic Cooperation and Development (BMZ) headquarters. BMZ manages the vast majority of German international development strategy, programming, and funding. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) is the main technical partner of the BMZ in terms of conflict prevention and resolution, and peace and governance reform. In addition, GIZ works closely with the German government-owned development bank, KfW. There are complex decision-making, communication, and feedback loops within this setup. Aside from less formal exchanges between BMZ-seconded staff in German embassies and BMZ headquarters, reporting is done formally via diplomatic channels to the Federal Foreign Office, which then shares information with BMZ. GIZ and KfW staff also report back to their respective headquarters, which in turn report to BMZ headquarters. Such a complex and heavily centralized arrangement risks being overly bureaucratic and producing high transaction costs, with negative implications for nexus working. It also means that political decision-making tends to be informed by top-down political priorities and foreign policy orientations rather than by conflict expertise and local knowledge. According to the findings of the most review OECD-DAC

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23 Dalrymple and Swithern, “Lessons from UK and Sweden.”
25 Sherriff et al., “Supporting Peacebuilding in Times of Change.”
By contrast, the approach of the UK is, again, often cited as good practice amongst the OECD DAC countries.\textsuperscript{27} Within FCDO, and DFID before it, decision-making on allocations within country budgets is fully decentralized. Country Directors have full financial delegation and can make decisions on the ground. While these directors plan budgets every four years, there is flexibility built-in, with options to adjust spending in response to changes; to access under-spend from other programs; and to access a Crisis Reserve.\textsuperscript{28} This decentralized model, supported by fungible funding types as outlined above, is regarded as a strength in enabling scale changes of humanitarian, development, and peacebuilding assistance in response to crises.\textsuperscript{29}

DFID’s operational review in 2018/2019 provided several examples of how country offices took advantage of this delegated authority, using a flexible blend of development, humanitarian, and peace investments to deliver results at the country level. Within those examples, cases indicate that the decentralized model helped avoid the peacebuilding component of the nexus being overlooked or subsumed into humanitarian spending. For example, in 2018/2019, the UK was one of the leading international donors to the humanitarian response in Nigeria. In parallel, DFID also supported the government of Nigeria to improve security and address the root causes of the conflict to stabilize the region and rebuild communities in the longer term. Subsequent DFID/FCDO programming in Nigeria demonstrated strategic consideration of the nexus and the need to link humanitarian assistance with longer-term peacebuilding and livelihoods programming. For example, the North-East Nigeria Transition to Development Program (NENTAD) explicitly sought to implement a proportionate shift from humanitarian to development action in post-conflict recovery, supporting longer-term programming for nutrition, education, community security, and market development. Elsewhere, DFID’s multi-year Building Resilience to Adaptation to Climate Extremes and Disasters (BRACED) program aimed to build community resilience to climate extremes in South and Southeast Asia and the African Sahel. DFID’s internal review found that the program took advantage of the flexibility afforded by the organization’s decentralized, single-

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\textsuperscript{26} OECD, “OECD Development Co-Operation Peer Reviews: Germany 2021.”


\textsuperscript{28} Dalrymple and Swithern, “Lessons from UK and Sweden.”

budget approach, enabling access to humanitarian funding to support early action and rapid response to emerging crisis needs while protecting development and peacebuilding gains.30

**Thematic or geographic teams**

A final, related element of organizational structure, worth reflecting on in the context of financing across the nexus and providing appropriate support for the peacebuilding component, is how teams and areas of expertise are grouped. The common practice, amongst donors, of organizing teams at the HQ level around sectors or themes, can contribute to the fragmentation and the comparative neglect of the peacebuilding pillar of the nexus mentioned above.

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**Principle 4:** Donors should consider how management structures, strategic planning, and high-level financial allocation decisions can potentially be organized around country or geographic priorities rather than according to particular sectors or themes.

Recent reviews of donor approaches to the nexus have found that clustering teams in geographic rather than thematic units can generate better contextual knowledge and a closer understanding of local political dynamics and security considerations, particularly when those teams interface at the country level with integrated embassies (which bring together the activities of diplomatic, consular, and international cooperation staff).31 This is the case with Switzerland’s SDC, for example. SDC programs and partner projects concentrate in a specific geographical area where a coherent Swiss approach is applied, accompanied by local risk assessments and actor mapping. Likewise, rather than having separate humanitarian and development teams in-country, the UK’s FCDO organizes its management, strategic planning, and budgeting around country or geographic areas.

To support the peacebuilding component of the nexus, it is also important that decisions on core funding to multilateral agencies are complementary and joined-up with decisions to fund the same agencies at the bilateral level.32 As such, Switzerland has recently started a process of internal reform, partly with the ambition of developing a more coherent approach to engaging with multilateral agencies in fragile and crisis contexts. For example, within the Federal Department of Foreign Affairs (FDFA), there is a distinction between

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31 FAO, DI, and NRC, *Development Actors at the Nexus*; Dalrymple and Swithern, “Lessons from UK and Sweden.”

32 Dalrymple and Swithern, “Lessons from UK and Sweden.”
the Swiss Agency for Development and Cooperation (SDC), responsible for coordinating Switzerland’s development cooperation and humanitarian aid activities, and the Peace and Human Rights Division of the State Secretariat (PHRD), which deals with diplomacy, human rights, and peacebuilding, among other areas.

Even prior to the current reform activities, Switzerland made a joint contribution to the UN Peacebuilding Fund through a unique agreement that allowed the budget to be drawn from both its development (multilateral and bilateral) and diplomatic pots. The SDC is now being partly re-formed. The organization will be re-formed into three geographical divisions, one thematic division, and one multilateral division, covering both development and humanitarian affairs. In creating a new merged multilateral division, the intention is to reduce hierarchical levels, give specialists more responsibility, and encourage closer co-operation across the nexus. In addition, the hope is that creating a new integrated multilateral division will also improve understanding of the multilateral architecture amongst development colleagues, contribute to a more coherent Swiss position on peacebuilding financing, and promote more joined-up working between colleagues in SDC and PHRD. The SDC’s new structure is expected to be operational from autumn 2022, and it will be important to track the practical implications of these changes in the coming years.

**Leadership and Incentives**

The four principles discussed above focus on structural factors and related institutional procedures. However, evidence from recent donor reform processes suggests that structural or procedural reforms may not succeed in changing organizational behavior and outcomes in the absence of high-level political leadership and strong institutional incentives. For example, in their recent work to support more adaptive and flexible ways of working in DFID, researchers from ODI found that structural or procedural changes in the organization struggled to generate meaningful shifts in individual and organizational behavior, without related efforts to look at staffing culture, leadership, and incentives.\(^33\)

This note has focused mainly on organizational structures and procedures. However, purely structural or procedural fixes are unlikely to generate change in how organizations operate if they are not joined by efforts to shape staffing culture, leadership, and incentives.

As an example, the European External Action Service (EEAS) has a dedicated institutional home for peacebuilding policy, the Division for Prevention of Conflicts, Rule of Law/Security Sector Reform, Integrated Approach, Stabilization, and Mediation. This division brings together thematic expertise in peacebuilding and offers services and guidance on a demand-led basis for all EU institutional entities. However, studies have found that, despite such innovations, the EU’s institutional framework remains fragmented, and peacebuilding expertise has not been embedded across EU structures. This has been attributed partly to the absence of strong institutional incentives and high-level political leadership. To take another example, in 2004, Germany established an inter-ministerial steering committee to coordinate the implementation of crisis prevention and peacebuilding policy. However, despite being chaired by the Ministry of Foreign Affairs and comprising representatives from all other federal ministries, it has not reported much success in overcoming ministerial divisions. Reports suggest this is due partly to its limited political and operational autonomy and low visibility beyond government stakeholders who are already committed to the HDP agenda.

In light of these findings, it is instructive to consider the reform process currently underway in Global Affairs Canada (GAC). While the GAC reforms are looking partly at organizational structures, Canada has found that functional solutions—e.g., creating new funding tools or dedicated nexus budget lines—do not promote greater coherence in the absence of measures to nudge staff behavior through incentives. For example, GAC has created fast-responding, risk-tolerant and adaptive tools within its Peace and Stabilization Operations Program (PSOPs), including a dedicated, flexible budget for peacebuilding. However, in the absence of stronger incentives for cross-department and cross-government coordination, GAC has found that this flexible funding tool has not led to greater overall coherence. The main issue is that, with high demand for fungible resources across government, PSOPs can end up funding a range of

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34 Sherriff et al., “Supporting Peacebuilding in Times of Change.”
activities that are too diverse to make a difference to longer-term obstacles to peacebuilding. GAC colleagues suggested this is partly because there are few organizational or performance-based incentives for staff to use these flexible funds in a way that supports coherence across thematic areas rather than in service of their own discrete activities.

This has prompted GAC to focus a large part of its reform efforts on organizational culture, knowledge, and awareness of working across the nexus and incentive structures for doing so. In addition to creating a new cross-government analytical process to better understand conflict drivers, GAC has identified some quick steps to incentivize coherence. This includes the creation of a ‘nexus award’ which is handed out by Deputy Ministers; the identification of specific nexus competencies in formal staff training; and the inclusion of mandatory language on nexus performance as part of performance agreements among the executive cadre. Although it is too soon to assess the effectiveness of these reforms, officials interviewed for this brief remarked on how quickly they had seen improvements in collaborative working as a result of these initial steps.

**Conclusion**

This short brief has looked at the implications for peacebuilding financing of organizational factors in donor agencies. We have focused mainly on the implications of these structures and procedures for appropriate support to the peacebuilding pillar of the ‘triple nexus’ between humanitarian aid, development cooperation, and peacebuilding.

As noted in the introduction, several donor countries have recently adapted, or are now starting to adapt, the bureaucratic structures and procedures that manage their overseas assistance programs. Those reforms are often designed to address issues of funding fragmentation, siloed teams, and inflexible budgets and processes, which, in turn, are often cited as obstacles to coherent financing across the nexus.

Reflecting on these reforms and synthesizing across the available evidence on what has and has not worked well in terms of organizational configuration and procedures, we hope to have outlined five principles that can support good practice in funding nexus approaches, and in particular, provide a more sustained, flexible, and well-managed financing of the peacebuilding component.

As our fifth and final principle has drawn attention to, it is important to note that institutional fixes are unlikely to work if they are not given sufficient political and cultural support within the organization in question. That being the case, the more successful organizational reforms discussed above have all
been driven by committed teams of internal ‘reform champions,’ often working across departments or areas of specialism. Within DFID, for example, cross-team technical communities of practice on issues of relevance to the nexus were established to forge connections and drive change.

Working through horizontal task teams is a useful transferrable model for other organizations looking to reform their approach to the peacebuilding component of nexus or other areas of funding or programming. However, as the experience of Canada’s GAC demonstrates, vertical accountability is also critical in delivering and sustaining broader changes in how staff and organizations as a whole behave. In keeping with the current GAC change process described above, there has recently been a clear steer, from the highest levels of management in SIDA, that advancing the triple nexus is a collective responsibility for the directors of all departments.35

Reform advocates should also note that, while these changes need to be internally driven, they are often prompted by independent external evaluations. In the UK, the Parliamentary-mandated Independent Commission on Aid Impact (ICAI) provided this evaluation function for DFID, producing reports and recommendations that the organization was obligated by Parliament to respond to publicly. Similarly, the recommendations of the OECD-DAC peer review process can provide a platform from which to launch internal reforms for members.

Acknowledgments
We are grateful for the support of the Swedish Ministry for Foreign Affairs for this research, and for colleagues at Canada’s GAC, and Switzerland’s SDC, who spoke to us as part of the research process.

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35 Swithern, “Donors at the Triple Nexus: Lessons from Sweden.”