

March 2022

About the Authors

Sarah Cliffe is director of the Center

Paige Arthur is deputy director of the Center and director of the Prevention and Peacebuilding program

Betty Wainaina-Maina is a senior program officer in the Prevention and Peacebuilding program and the Defending Multilateralism program

Good Peacebuilding Financing: Recommendations for Revitalizing Commitments

At a moment of intense global pressure due to the pandemic and the Russian invasion of Ukraine, support for prevention and peacebuilding remains as vital as ever. This brief offers action-oriented recommendations to advance new and more inclusive approaches to peacebuilding financing on the eve of the UN High-level Meeting on Peacebuilding Financing.

The Good Peacebuilding Financing (GPF) initiative has been mooted at an opportune moment when global leaders' attention will be focused on peacebuilding, during the upcoming UN High-level Meeting on Peacebuilding Financing. Although the objectives of the GPF exceed the High-level Meeting, this moment provides a key opportunity for reflection and mobilization of action on peacebuilding, with the aim to improve the quality and quantity of financing and the delivery of meaningful results. It is also an opportunity to kickstart new and more inclusive approaches to peacebuilding financing.

This policy brief is based on priorities identified through consultations with a group of donors contributing to peacebuilding financing convened by the Swedish Ministry for Foreign Affairs; independent meetings with some partners from the G77; discussions with technical partners; an extensive literature review; and newly commissioned research. This brief's main purpose is to spur action across a broad range of actors to further consolidate principles of good peacebuilding financing, and how these can be advanced and operationalized.

What is the Good Peacebuilding Financing initiative?

The GPF is focused on improving financing, as one aspect of good partnership. It seeks to reignite the discourse on peacebuilding donorship and partnership by revisiting the principles and practices developed through the Sustainable Development Goals (SDGs) and the Sustaining Peace resolutions, the [Aid Effectiveness](#) agenda, the [New Deal](#), the [Addis Ababa Action Agenda](#), and the [Stockholm Declaration](#). Also relevant are the [ASEAN Political-Security Community Blueprint](#) and the [African Peace and Security Architecture](#)

Technical partners of the GPF

Across 2021, CIC convened a group of technical partners and commissioned research to feed into this set of recommendations.

We are incredibly grateful for collaboration and insights from this global group of think tanks:

Dag Hammarskjöld Foundation

Doha Institute

European Centre for
Development Policy
Management

Institute for Security Studies—
South Africa

Overseas Development Institute

SIPRI

[Roadmap 2016-2020](#). The GPF builds on these towards **action-oriented recommendations**.

Why is the GPF needed now?

Current events have raised the level of challenge. Because of the **COVID-19 pandemic**, there has been unprecedented pressure on budgets—both for financing and recipient countries—as countries grapple with the challenges of containment and recovery. Some of the secondary effects of COVID-19, such as vaccine inequity and divergence in access to financing—can in themselves become drivers of conflict if not addressed. **Russia’s invasion of Ukraine** has also changed the context for the small group of European donors that provide most of the funding for peacebuilding initiatives—many of which have repositioned large funds to humanitarian support and in-donor refugee costs. Indeed, cooperation partner organizations are not set up to adapt quickly and to look ahead to the next crisis. Change is slow. As the world faces the secondary effects of COVID-19 and the conflict in Ukraine (such as rising food and energy prices), there is a need for an active and conscious approach, with action to improve peacebuilding financing effectiveness now.

These recent events exacerbate structural trends. The terrain of peacebuilding is rapidly transforming—not only because of the once-in-a-generation challenge of a global pandemic, but also because of longer-term shifts, such as changes in patterns of conflict, rising inequality, and escalating climate crises, among others. In short, we live in a world of compounding risks.

In turn, the world faces **increased geopolitical contestation**, including in the multilateral institutions, which threatens to create many more proxy (if not direct) conflicts—beyond the Russian invasion of Ukraine. While part of this is an inevitable struggle of interests in a period of shifting economic and military power, there is an opportunity to ramp down the rhetoric and find areas of some common ground in the stabilization of conflict-affected situations.

In the face of the compounding risks identified above, the fulfilment of the prior agreements mentioned above has not been actualized. To mention just one area, while it is generally acknowledged that there are very strong linkages between peace and development issues, many governments have difficulty in developing coherent positions across the different ministries and departments involved in these discussions. This continues to impede the provision of adequate and effective peacebuilding financing.

There has been little to no robust monitoring of existing frameworks. Actors in the peacebuilding space are left to their own devices, cherry picking which changes they are comfortable making and which ones they

prefer to postpone. As a result, in spite of the rhetoric of “doing better,” the status quo has largely remained.

While the conversation on peacebuilding financing typically takes place within a small group of donors, **a broader set of cooperation partners are actually engaged in financing for peacebuilding** efforts to varying degrees. However, many of them are not at the table. The peacebuilding financing discourse needs to become a space for a wider group of partners, both to find normative common ground and to promote practical cooperation.

Collaboration and **cooperation between the UN and the international financial institutions (IFIs)** has been established as an imperative for improving peacebuilding outcomes. There are examples of good results, but collaboration remains more transactional than strategic, and ad hoc. The implementation of the World Bank Fragility, Conflict, and Violence (FCV) strategy, and the current development of a similar strategy at the IMF, provide levers with which to advance UN-IFI cooperation in prevention and peacebuilding. Cooperation which is both more strategic and more systematic, within the mandates and expertise of each institution, would be beneficial to all.

The current moment calls for us to move beyond principles to concrete steps. This is the goal of the GPF.

Recommendations: Seven Commitment Areas

The following action-oriented recommendations represent concrete steps to improve common ground as well as the quality and quantity of financing for peacebuilding. If implemented, these steps would move cooperation partners closer to the goal of more adequately and effectively financed peacebuilding strategies. They are divided into short-term opportunities to engage with more immediate policy objectives and windows, and long-term changes that are relevant in the current dispensation.

1. A commitment to finding common ground

Governments providing funding in conflict-affected countries or where there are risks of conflict are diverse. They include the P5, regional powers, OECD-DAC donors, and other individual countries. Many bring diplomatic and security levers as well as external cooperation. The variety of countries is also reflected in the variety of models applied, in economic management, political representation, and state-society relations. Due to this diversity, **dialogue is critical to achieving understanding of one another’s perspectives and charting a way forward based on agreed-upon common ground.**

In the immediate:

- There is a possibility to use the process leading up to the 2022 UN High-level Meeting on Peacebuilding Financing as an opportunity to engage

There is a general rhetorical commitment in both New York and Washington to improving two-way coherence on peacebuilding approaches

cross-regionally as the peacebuilding official development assistance (ODA) partner community, through Permanent Representative-level informal meetings (e.g., breakfast discussions) and expert-level exchanges. Discussions would aim to find the common ground across differing approaches to peacebuilding cooperation and could aim at delivering action-oriented recommendations to the HLM.

- Rooted in the SDGs, such a cross-regional input would focus on preventing the immense human consequences of conflict and violence through smarter financing. It would highlight innovative governmental and multilateral actions and partnerships (such as some of those in this brief), as well as underlining how peacebuilding finance can and should address both national priorities and international risk factors such as vaccine inequity, access to liquidity, and illicit financial flows.
- Complementary outcomes are to use cross-regional efforts to drive more sustainable financing for the UN Peacebuilding Fund (PBF), including agreement on a predictable assessment, as well as a broader base of new commitments for voluntary contributions (as was initiated by Egypt during their tenure as chair of the Peacebuilding Commission [PBC]).

Over time:

- The next level to the sessions above could be to convene a capital-level conference of partners, promoting development cooperation for peacebuilding and identifying channels of communication to expand common ground and resolve differences.
- This could be complemented by a research process of think tanks from different cooperation partners to investigate the ideas underlying assumptions in international cooperation and to help identify potential for greater cooperation.

2. A commitment to engage the IFIs

There is a general rhetorical commitment in both New York and Washington to improving two-way coherence on peacebuilding approaches, and progress has been made in specific country cases. But in practice, this often breaks down, since the organizations respond to different country ministries. Possible member state commitments include:

In the immediate:

- Invite the managing director of the International Monetary Fund (IMF) and president of the World Bank to speak at the 2022 HLM on Peacebuilding Financing and to work on commitments related to UN-IFI collaboration.

Over time:

- Initiate regular informal meetings between the PBC and the IFI Boards that strengthen collaboration and develop an agenda for action, in

Peacebuilding is a complex, long-term endeavor for which integrated, cross-government approaches are essential

particular on macroeconomic-peacebuilding links that member states can drive within the mandate and expertise of each organization.

- Consider more specific commitments that member states want to drive together in future rounds of UN and IFI reforms in return for actions by the organizations and their management, including IDA21, the implementation of the IMF fragile states strategy (if adopted), working methods of the Security Council, and the UN Development System funding compact.
- Collaborate between the World Bank, the IMF, the UN, and other key donors to support “one matrix” governing commitments that the government is making with international partners.
- Use the Humanitarian-Development-Peacebuilding and Partnership facility to provide technical assistance to governments to develop peacebuilding frameworks for IDA FCV envelopes.

3. A commitment to work cross-governmentally

Peacebuilding is a complex, long-term endeavor for which integrated, cross-government approaches are essential, including the integration of conflict sensitivity across the humanitarian-development-peacebuilding nexus.

Innovative solutions are essential to unblocking more and better funding that supports peacebuilding objectives, but donor bureaucracies do not bend easily to the logic of peacebuilding.

In the immediate:

- Hold a cross-government workshop or create a “reflection process,” with input from the multilateral system and specialized think tanks, aimed at honestly reflecting on bureaucratic and other constraints that limit shared positions and action across government departments.

Over time:

- Incentivize and reward cross-government collaboration. This could take different forms, but basically, senior leadership should provide positive signals to support structural or procedural reforms that improve this internal coherence and coordination. An example is including a reward system for collaborative work embedded in performance and management.
- In the field, cooperation partners could commit to nationally driven, sovereignty-supporting mutual accountability frameworks, especially in transitional moments (e.g., peacekeeping drawdowns, signing of peace agreements) to reset priorities and before donor funding patterns are determined. Cooperation partners could also work at promoting nationally owned collective outcomes.

A robust results framework could go a long way in advocating for peacebuilding financing, by showing that investment in peacebuilding and conflict-sensitive approaches can deliver results

4. A commitment to innovate

There has been much discussion of the potential for expanding on the existing instruments and frameworks through innovative financing, such as blended finance. Now is the time to move from theory to practice by putting risk capital to work in practical experiments.

In the immediate:

- Countries that have already started thinking about this could initiate a research process with think tanks to advance knowledge on what could be effective and efficient models for “peace positive” innovative financing modalities. They could also consolidate expertise across peacebuilding, the private sector, and finance to centralize emerging lessons across a range of complex blended finance approaches.

Over time:

- The PBC could drive a process emanating from the above research that could result in a shared policy framework/guidance on principles of “peace positive” approaches and measures for private sector engagement, perhaps similar to the Guiding Principles on Business and Human Rights
- The UN Peacebuilding Support Office could establish a stream of work on two other areas of international finance flows that remain untapped in terms of larger leverage: remittances and international philanthropic flows.

5. A commitment to monitoring and results

A key barrier to implementation of previous commitments is the lack of a robust mechanism to provide evidence of peacebuilding results as well as progress on implementation of agreed upon commitments. A robust results framework could go a long way in advocating for peacebuilding financing, by showing that investment in peacebuilding and conflict-sensitive approaches can deliver results.

In the immediate:

- Use the HLM on peacebuilding financing to push for more strategic, joined-up peacebuilding outcome monitoring across the UN system, especially the development system.
- Adapt the UN-World Bank Monitoring Report to **include the IMF** and have a **specific section on peacebuilding** trends and progress.

Over time:

- Create a GPF hub to drive and monitor commitments and results, akin to the Good Humanitarian Donorship hub but with more inclusive ownership across all cooperation partners. The hub would also consolidate knowledge about financial flows, assess alignment with

agreed priorities, monitor donor commitments, and provide quick feedback to donors on action points. It could consider the need to track better peacebuilding markers of aid across a broader range of financiers. This would start with a small intergovernmental working group to create the terms of reference for the hub.

6. A commitment to local approaches

All cooperation partners have an interest in nationally led and local approaches, albeit using different models. The “local” is a core element of peacebuilding and prevention work, as community-based organizations and youth and women’s groups, for example, are critical actors in the peacebuilding ecosystem. Funding partners often have specific constraints (e.g., risk management, fiduciary rules, bias to large project size) that make funding for small, local actors challenging—which is why many provide funding through intermediary organizations.

In the immediate:

- As part of the “common ground” process described above, map out different approaches to local actors—whether state, mass-based organization, faith-based, community-based, or NGO—recognizing ways that a commitment to “localization” can be a shared thread that ties together diverse models.
- Condition support to the PBF and other mechanisms to the percentage of funding retained in country and passing via local institutional and community mechanisms.

Over time:

- Drawing on tested practices in other fields, pilot innovative methods for supporting smaller actors, such as pooled support for cash transfers, scholarships, and small grant programs.
- Finance a model/pilot initiative for seed funding of small-scale community bonds, which can provide loans to social enterprises aiming toward a public good.

7. A commitment to advocate

There is a critical need to make the case for peacebuilding outside of its traditional niche—with a wide group of national stakeholders including government, parliaments, civil society, and academia—and to show that investment in peacebuilding and conflict-sensitive approaches can deliver results in the national interest. Messaging around “smart” and interest-based financing for peacebuilding is crucial for success.

In the immediate:

- Cooperation partners should agree on and coordinate, at Director-General level, a calendar of key moments that can be leveraged to elevate discussion on peacebuilding financing as a critical component of ODA

There is a critical need to make the case for peacebuilding outside of its traditional niche

Acknowledgments

We are grateful for the support of the Swedish Ministry for Foreign Affairs for this work.

and multilateral cooperation—for example, in political forums like the Least Developed Countries conference, HLPF, G7, G20 etc.

Over time:

- Over the long term, the objective among cooperation partners should be to support the emergence of a cross-government coalition outside of traditional “peace” donors, engaging ministers of finance, development cooperation, and foreign affairs, among others. The coalition should be stable enough to resist changes, such as an unexpected collapse in funding to fragile states.
- Governments, think tanks, and philanthropic entities should foster the emergence of a political constituency through national public advocacy campaigns on the value and effectiveness of investment in peacebuilding, including its contribution to national interests. Specifically, peacebuilding champions in government, civil society, and academia can collaborate to identify key moments in the budgetary calendar and lobby around them; and can work with partners to put peacebuilding on the global agenda around relevant issues (e.g. vaccine equity, green transitions, food security).

Conclusion

The reality is that today’s cooperation partners are diverse and have varied geopolitical interests. Peacebuilding finance, like other forms of ODA, will be used as a vehicle for national interests and will be delivered in environments in which influence is contested. There is no magic bullet to prevent this.

And yet, now more than ever, there is a need to look for common ground—in focusing on the human consequences of conflict and violence, the spillover effects that it is in the national interest of all to prevent, common challenges, lessons, and actions (such as on interagency coherence, UN-IFI collaboration, and support to local institutional resilience).

Not all countries that provide peacebuilding finance will want to participate. Yet outside formal normative resolutions such as those at the UN on sustaining peace, this would be a first attempt to bring together an inclusive coalition of peacebuilding financiers around some new action-oriented recommendations—providing a basis to urge all actors to do better and to engage in a virtuous cycle of competition on how to provide the most effective assistance.

Center on International Cooperation

726 Broadway, Suite 543
New York, NY 10003

The Center on International Cooperation is a non-profit research center housed at New York University. Our vision is to advance effective multilateral action to prevent crises and build peace, justice, and inclusion.
