



## How effective is the current peacebuilding financing architecture at building peace? Reflections from local to global peace actors

5 May 2021, Stockholm Forum

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### Introduction

The importance of strengthening financing for peacebuilding, and in particular to ensure equal access to financing for local peacebuilders, is commonly recognised by civil society and the international community alike. There is increasing understanding that equitable and effective financing contributes to more sustainable peacebuilding outcomes. The 2020 twin resolutions by the UN General Assembly (A/RES/75/201) and Security Council (S/RES/2558) on peacebuilding and sustaining peace note that 'peacebuilding financing remains a critical challenge' to sustaining peace. Much of what is needed to make financing for peacebuilding more effective – flexible and adaptable resources, consistent financing, longer time horizons – have also been identified, including in the Secretary-General's 2018 report on peacebuilding and sustaining peace.

Yet, greater efforts are needed to turn this rhetoric into action by funders. Addressing inadequate and unpredictable financing for local peacebuilders has become even more imperative as donor countries scale back on Official Development Assistance as a result of the COVID-19 pandemic.

With the ambition to build on this recognition towards action, the Dag Hammarskjöld Foundation and Life & Peace Institute co-organised a session as part of the 2021 Stockholm Forum on Peace and Development to explore how different actors experience and engage with the current peacebuilding financing architecture. The session aimed to identify concrete next steps to make the global funding architecture more effective at building and sustaining peace by highlighting: the current power dynamics at play within the global peacebuilding financing system; changes needed to allow different actors to play their ideal role within the system; and how actors within the system can support each other to advance sustainable peace. A particular focus was given to how speakers could support one another in moving toward this more equitable vision for financing. The following provides an overview of some of these next steps as identified by speakers and respondents.

## Summary

Based on discussions, there is a degree of common understanding on what good peacebuilding financing looks like, although each actor, operating in a different location and supporting peacebuilding in distinct yet interconnected ways, is constrained and limited in their individual agency by specific circumstances and broader trends in peacebuilding financing.

### **Making the case for peacebuilding financing**

Participants emphasised that peacebuilding is about building relationships between communities at the local level, and that building relationships takes time. Yet, much of the current financing for peacebuilding is project-based. It often comes with stringent requirements in terms of the kinds of organisations that are eligible for funding, how recipients spend the money and reporting requirements, with success defined by donors rather than those directly impacted. These kinds of administrative barriers make it particularly difficult for youth-led initiatives to access funds; as a result, they are often forced to create formal non-governmental organisations, shifting focus from peacebuilding work to administration and logistics. With over 5 million USD spent within the UN on Preventing and Countering Violent Extremism (P/CVE), many young people are also reframing their work to CVE to be able to access this funding.

Many of the requirements that come with financing are a product of donors needing to justify the use of public funds to their constituents. The peacebuilding community and governments should therefore boost communication efforts with populations increasingly weary on spending public funds abroad, to make a political case for financing peacebuilding. Civil society can play a particularly important role in sharing stories that highlight outcomes so that actors such as the United Nations can make the case for peacebuilding financing with Member States.

### **Investing in innovation**

Making peacebuilding financing more flexible and long-term also requires rethinking how we think about and measure impact and what we perceive as success. This may require drawing inspiration from other sectors. For example, research is often funded not with a specific goal in mind but to allow for, or even to encourage, innovation and learning. Often, funding is provided through portfolios, emphasising the importance of the collective in advancing learning and knowledge and facilitating collaboration between different projects. Other sectors already spend public funds on innovation and experimentation, with grantees being held to account in terms of whether they followed a good process of design, rather than achieving preconceived results. For example, the US military spends 3.5 billion USD, less than 0.5% of its overall budget, on innovation. Setting aside similar funding structures for peacebuilding could go a long way in facilitating learning and sharing towards sustainable peace. Setting aside 0.5% of the 5 billion euros that make up the European Peace Facility would open up approximately 20 million euros for innovation and learning.

Rather than viewing local peacebuilders as implementors of an identified goal, donors and funders should rather engage them as innovators, researchers and experimenters. Peacebuilding financing should allow for local actors to experiment, innovate, learn and adapt in their own environments. There are good practices for how catalytic funds that do not require grantees to succeed, but rather to learn and pass that learning on to others, have contributed to peacebuilding efforts. An approach to funding that encourages learning puts emphasis on the role of local actors in designing projects and working with local communities, and addresses challenges that arise when different actors compete for the same funds.

### **Bring local peacebuilders into the global peacebuilding financing system**

There is increasing recognition at the global policy level of the role of local peacebuilders in advancing peace, including in the UN's Peacebuilding and Sustaining Peace agenda outlined in the

2016 twin resolutions by the General Assembly (70/262) and the Security Council (S/RES/2282). Recent years have seen an increase in direct funding to civil society, including through the Peacebuilding Fund's Gender and Youth Promotion Initiative. In Somalia, for example, the access that Life & Peace Institute and its partners (as well as broader civil society) have in more remote areas of the country has allowed peacebuilding financing to enter spaces where UN agencies are not able to reach.

Yet, local actors continue to lack direct engagement in decision making processes on financing and with the major donors themselves, instead engaging with, and often receiving funding through, international civil society organisations acting as intermediaries. This can make it more difficult for donors to see the good work that local organisations are doing in communities. In addition, a significant proportion of this funding is used to cover administrative costs of intermediary organisations instead of going directly to projects at the grassroots level.

There is, however, an appetite for building relationships between local peacebuilders and international donors – although the form and function of these relationships requires further discussion. Conducive spaces for discussion, for actors to share experiences and work together to advance financing for peacebuilding, are needed, most importantly for local actors to raise local perspectives. Donors should consult communities in which programming is to take place when deciding on selection criteria and engage them in the selection of grant recipients. The Global Partnership for the Prevention of Armed Conflict (GPPAC) and the United Network of Young (UNOY) Peacebuilders, for example, engage local youth peacebuilders in deciding on recipients for work related to Youth, Peace and Security, and provide mentorship and capacity-building support, including to those organisations who do not receive grants.

### **Strengthened coordination**

The conversation also highlighted that more effective financing requires strengthened coordination between diverse sectors, spaces and actors working on peacebuilding. In Somalia, for example, a lot of peacebuilding efforts (by the African Union, European Union and UN) are framed as statebuilding, with a focus on rebuilding the Somali state and strengthening security. Smaller, often grassroots, actors are working to foster peace within communities. Both are important but could be strengthened through greater cooperation, including by feeding local peacebuilding perspectives into statebuilding processes.

Funding provides an opportunity for strengthening coordination. Donors have an important role to play in ensuring that different sectors talk to each other and coordinate efforts, including through funding guidelines, and in encouraging authentic partnerships between local actors and intermediaries. Multilateral actors such as the UN should strengthen efforts to facilitate greater coordination and dialogue between diverse stakeholders. The Peacebuilding Fund, for example, promotes the integration of peacebuilding across the UN system and encourages joint UN-civil society proposals. That being said, the PBF could become even more catalytic, strengthening efforts to facilitate exchange and ensuring complementarity between initiatives.

Intermediaries can also support local civil society actors in accessing funding for their peacebuilding initiatives, in particular in navigating burdensome administrative processes. It is, however, important that intermediaries are fully transparent with local partners. For example, intermediaries can share calls for proposals and engage with local partners in developing applications. Intermediaries also have an important role to play in facilitating coordination between local actors and supporting community-based organisations through capacity enhancement, as well as fundraising and engaging with donors, towards more sustainable peace.

## Conclusion

The session underscored the need for different actors to work together to create a more effective peacebuilding financing system and better shift power to local actors. In so doing, the following interlinked and mutually reinforcing factors – currently applied by SIDA – are critical to ensuring good peacebuilding financing:

- **Value-based partnerships** between donors and recipients that are built on confidence and trust.
- **Long-term vision**, including through multi-year financing agreements.
- **Core support**, or at least soft earmarking, that allows for recipients to develop capacities and plan strategically based on the needs and dynamic situation on the ground.
- **Flexibility**, including being willing for recipients to adjust approaches when needed.
- **Coordination and communication** between projects, as well as between donor countries.

In moving forward, donors should consider their own constraints in practicing these principles and try to address them internally, as well as with other donors. Continued exchange between stakeholders is also needed on how to strengthen the peacebuilding financing system.

To facilitate this continued exchange, lessons from the session will feed into LPI's Inclusive Peace in Practice initiative, which seeks to support new forms of collaboration between local peace actors and global decision makers, and to promote learning on what kinds of partnership and support to individuals and groups advancing peace at the local level is needed. In addition, takeaways will feed into various conversations and processes taking place in New York on peacebuilding financing, including a 2021 review of the Peacebuilding Fund as well as the Secretary-General's 2022 report on peacebuilding and sustaining peace, which will have a strong focus on peacebuilding financing.

## Quotes

*"The donors seem to be ghosts because we only know them by name, but we have never seen them, and the peacebuilding global financing system has too many intermediaries"* – Eddy Byamungu

*"[Local peacebuilders] are designing, they are thinking on their feet, they are working with local communities in incredibly dynamic environments. So, can we respect them as designers, can we respect them as innovators and as researchers in their own right? And if we were to do that, what would it look like if we could fund [local] peacebuilding more as the research and development unit of our sector?"* – Megan Price