

**Investing Smarter:
Assessing structural transformation in financing for impactful peacebuilding**

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Summary Note

The 2020 peacebuilding architecture review (hereafter, the 2020 review) concluded on 21 December 2020 with the adoption of the dual resolutions on Peacebuilding and Sustaining Peace by the United Nations General Assembly (A/RES/75/201) and Security Council (S/RES/2558). The resolutions call on Member States, the UN and other stakeholders to “continue to take action to implement the resolutions on peacebuilding and sustaining peace, and to advance efforts to bring greater coherence to peacebuilding efforts” (S/RES/2558, OP1). In line with this call, the Dag Hammarskjöld Foundation (DHF), the Global Network of Women Peacebuilders (GNWP) and the Global Partnership for the Prevention of Armed Conflict (GPPAC) are continuing a series of roundtable discussions to examine strategies and pathways towards the operationalization of the dual resolutions.

Recognizing that many previous conversations – including during earlier roundtables as part of this series¹ – have already identified the gaps and challenges in financing for peacebuilding, the third roundtable in 2021 created space for joint reflection among representatives of Member States, civil society and the UN to identify innovative solutions to strengthen the *quality* of peacebuilding financing – such as accessibility, flexibility and sustainability. It was also an opportunity to discuss what is needed to ensure that financing for peacebuilding meaningfully supports inclusive and impactful peacebuilding and sustaining peace at the national and local level. Key discussion points and solutions highlighted by participants are summarized below.

Addressing persistent barriers to quality financing for local organizations

Participants noted that local civil society organizations – although often small in size – are frequently best-placed to generate concrete and sustainable impact, because of their in-depth understanding of the context, and their proximity to local communities. Therefore, local ownership needs to be supported as an avenue to advance quality financing. Several speakers noted that grassroots peacebuilding organizations can achieve positive peacebuilding outcomes even with small grants that enable the implementation of locally-led solutions. They stressed that the level of positive peacebuilding outcomes and impact is not dependent on quantity of funds spent. When well invested in activities that are grounded in a local analysis and deep knowledge of the context, USD 1,000 spent by local actors can have a greater impact than USD 1,000,000 spent by international organizations.

While the role of local civil society in sustaining peace is recognized at the global policy level, and despite the fact that several innovative pooled funds designed to support local peacebuilders have emerged in the past years, grassroots peacebuilding organizations still face significant barriers in accessing funding. Participants highlighted the award “floor” – the minimum amount for which

¹ For the Summary Notes from the previous roundtable discussions on peacebuilding financing, please see: <https://gnwp.org/wp-content/uploads/10-Financing-Sustaining-Peace-Roundtable-Meeting-Note.pdf> and <https://gnwp.org/wp-content/uploads/Inclusive-Financing-OSP-Summary-Note-January-9.pdf>

grantees are required to apply, that is often quite a large sum of money for local organizations – as well as requiring applicants to have previous experience managing large grants as key barriers to accessing funding. Moreover, the requirements of holding bank accounts and acquiring legal registration leave many organizations – in particular those operating in oppressive contexts, where obtaining registration might be challenging – ineligible for funds. As a result, even when funding is channeled to organizations registered at the country level, it often goes to a handful of larger national NGOs, with grassroots and local organizations still unable to access funds. This potentially undermines the reach of this funding, limits the scope of peacebuilding activities, and decreases the likelihood of sustainable impacts. Participants highlighted, for example, that in instances where civil society is faced with government crackdowns or restrictions, authorities are more likely to target larger organizations. If the few organizations who receive peacebuilding funds are all targeted, peacebuilding efforts in the country would be jeopardized or at least stalled.

Participants recognized that for many donors, these requirements might be difficult to waive, including because of perceived risks and transaction costs. Thus, exploring complementary mechanisms to disburse smaller grant amounts, intentionally targeted to locally-led organizations that do not have access to larger funds, was identified as an important strategy. Small-grants programs run by international NGO intermediaries were identified as another useful model, when they are run on the basis of an authentic partnership, as discussed below. Participants noted that the main disbursement windows of the UN Peacebuilding Fund (PBF) are not legally set up to provide small grants. However, the launch of the pilot small grants program in the Sahel, which purports to distribute grants ranging from USD 5,000 to USD 50,000 is a promising development. Similarly, disbursement of small grants through in-country embassies, who know the local landscape and are more easily accessible to local civil society, was mentioned as a potential avenue. Overall, participants acknowledged that reliance on a range of diverse funding mechanisms that are well-coordinated and complement each other, is critical in making investment in peacebuilding “smarter” and more impactful. As such, participants reiterated the recommendation made during a previous roundtable organized by DHF, GNWP and GPPAC,² that stronger coordination between the variety of pooled funds and small grants programs, as well as coherence between the UN and donor Member States, in particular at the country level, is critical.

Strengthening trust and relationship-building for quality peacebuilding financing

Participants highlighted that one key feature of quality financing for peacebuilding is the nature of the relationship between the funder and the recipient. They emphasized that most impactful relationships are those that are based on trust and flexibility. This, in turn, allows for greater coordination among local actors and freedom to continually re-assess and adapt peacebuilding initiatives, in line with changing circumstances (such as an uptick in fighting, pandemic outbreaks and natural disasters).

Civil society-led funds such as International Civil Society Action Network (ICAN)’s [Innovative Peace Fund](#) and GPPAC’s [YPS Small Grants Scheme](#) were recognized as positive examples. Civil society participants highlighted that such mechanisms fostered constructive relationships based on a strategic partnership rather than a traditional donor-recipient relation. These mechanisms also allow for greater flexibility to respond and adapt to rapidly changing circumstances. The Netherlands’ “Dialogue and Dissent” policy framework, which aims to fund

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civil society in a way that provides them with a greater degree of autonomy and flexibility, was also cited as an example of good practice.³

However, participants noted that earmarking of funds is still very common, making it more difficult for recipients to be flexible and adapt to changing circumstances. When funds need to be earmarked, participants underscored that it should be done in consultation with civil society, to ensure that the items earmarked reflect priorities that respond to the actual needs and realities of local stakeholders.

In this context, attention was drawn to the need for multilateral actors and donors to strengthen and improve relationships with civil society, especially those operating at the grassroots level. The UN plays an important role in building and facilitating such relationships. Participants suggested that the PBF Joint Steering Committees at the country level could be leveraged to facilitate meaningful dialogue on issues of funding between the UN, Member State embassies and local civil society organizations. The recently-launched UN Community Engagement Guidelines⁴ can serve as a valuable tool to foster such relationships, including through its specific provisions on financing. The Guidelines reiterate the UN's commitment to engage more closely with peacebuilders, including women, youth, and local communities. They provide a set of principles and recommendations for meaningful engagement, to guide the work of the UN, in particular at the country level.

Ensuring that quantity of funding for peacebuilding increases along with its quality

Participants also highlighted that while progress has been made in the amount of funding available for peacebuilding – for example, the 2021 Replenishment Conference for the PBF⁵ raised US\$439 million, bringing the Fund closer to achieving the “quantum leap” called for by the UN Secretary-General – there is still a significant gap between the funding available for peacebuilding, and the actual need.

Roundtable participants noted that funding for peacebuilding and conflict prevention tends to be de-prioritized or cut in contexts of crises and emergencies and shifted to humanitarian and health responses. Since crises and emergencies, including natural disasters and pandemics, frequently impact conflict dynamics and social cohesion, the de-prioritization of peacebuilding in emergency contexts is likely to have negative long-term consequences.

In this context, participants also highlighted the importance of strengthening coordination and collaboration with International Financial Institutions (IFI), to better understand the role they play – or could play – in improving quality financing for peacebuilding and ensuring that their financing includes a strong peacebuilding lens, especially in the context of emergencies. As noted in previous roundtable discussions in this series, the Peacebuilding Commission's convening role is critical in this context and should continue to be used to strengthen relationships between IFIs and the peacebuilding community at the global and country levels.

Recommendations

Based on the roundtable discussion, the following recommendations for strengthening quality financing for peacebuilding have been identified:

³ To read more about the “Dialogue and Dissent” framework and its results, see: <https://www.government.nl/latest/news/2020/12/31/looking-back-on-5-years-of-dialogue-and-dissent>

⁴ The 2020 UN System-Wide Community Engagement Guidelines on Peacebuilding and Sustaining Peace: https://www.un.org/peacebuilding/sites/www.un.org.peacebuilding/files/documents/un_community_engagement_guidelines_august_2020.pdf. See Recommendation 5 on flexible financing for peacebuilding.

⁵ More Information about the 2021 Replenishment conference for the Peacebuilding Fund is available at: <https://www.un.org/peacebuilding/content/pbf-replen-conf-2021>

- **Donors (including Member States, the UN and, where relevant, the private sector)** should continue to explore avenues and innovative solutions, building on existing good practices of quality financing, to disburse smaller grants to local organizations, including through the use of intermediary organizations and investment in pooled funds dedicated to building authentic partnerships with, and ensuring ownership of grassroots peacebuilders;
- **Donors (including Member States, the UN and the private sector)** should increase their investment in peacebuilding, and ensure that it is not diminished or de-prioritized in times of crisis and emergencies (such as during pandemics and natural disasters), when peacebuilding needs are usually at their highest;
- **Donors (including Member States, the UN and the private sector)** should also increase the amount of core and un-earmarked funding available for peacebuilding organizations, including at the local level;
- **Peacebuilding funding mechanisms – led by the UN or by civil society** – should ensure good practices in peacebuilding financing are shared and ensure that their modalities allow for meaningful engagement and relationship-building with grassroots civil society, mitigating risks of funding stimulating competition between local actors;
- In the countries eligible for its funding, **the Peacebuilding Fund** should – through its Joint Steering Committees – encourage coordination and dialogue between diverse actors at the country level, including between Member State embassies and local civil society;
- **The Peacebuilding Commission** should continue to use its convening role to facilitate exchanges between IFIs and peacebuilding actors, including Member States, the UN and civil society. These exchanges should aim to share good practices and identify concrete avenues to close the gaps in advancing quality financing for peacebuilding.