Peacebuilding Commission, Annual Session 2017
"Partnerships for financing for Peace"
30 June 2017

Chair's Summary

I. Introduction

The fourth Annual Session of the Peacebuilding Commission (PBC) took place on 30 June 2017 under the title "*Partnerships for Financing for Peace*". The session addressed the key challenges of enabling partnerships for financing for peace. In addition to a keynote address, the opening and closing segments and two informal working sessions brought together Member States, representatives of the UN system, international and regional organizations, international financial institutions (IFIs), civil society organizations and the private sector.

II. Opening Segment

The Chair of the PBC, H.E. Mr. Cho Tae-yul (Republic of Korea) and UN Chef de Cabinet, Ms. Maria Luiza Ribeiro Viotti, opened the session. The Chief Executive Officer of the World Bank, Ms. Kristalina Georgieva, delivered the keynote address. In the opening session, the PBC and the World Bank issued a joint statement reaffirming "the importance of continued attention to peacebuilding and sustaining peace" and decided "to hold an annual dialogue between the members of the Peacebuilding Commission and senior representatives of the World Bank, including members of its Executive Board, with the view to strengthening the partnership and discussing issues of mutual concern, including how development approaches can complement peacebuilding efforts at regional and country levels".

The Chair of the PBC noted the unique position of the PBC as a convening platform for Member States and partners, including the UN system, IFIs, regional organizations, civil society and, where relevant, the private sector, to discuss ways of working together in support of peacebuilding and sustaining peace. The Chair noted that the resolutions on the review of the peacebuilding architecture recognized the need for United Nations peacebuilding efforts to have adequate, predictable and sustained financing to effectively assist countries to build and sustain peace. Financing for peace required short-term flexibility to address urgent needs as well as stable support over decades. The resolutions also underscored the value of collaboration and strategic partnerships. The combination of needs and the increasing complexity of financing options have highlighted the importance of sustained international support from a broad set of partners. The Chair welcomed the commitment of the UN Secretary-General and the President of the World Bank to the partnership of their organizations, and took note of the UN-World Bank Partnership Framework for Crisis-Affected Situations signed on 22 April 2017.

The Chef de Cabinet commended the convening, advising and partnership building role of the Peacebuilding Commission and focused her intervention on the importance of the Secretary-General's priority of prevention of violent conflict, highlighting that the number and severity of crises are increasing faster than the capacity of the multilateral crisis response architecture. In 2015 and 2016, the international community spent $71 billion on UN peacekeeping, humanitarian official development assistance and on assistance to refugees in donor countries. The international community could not afford to continue to spend billions on crisis response and invest so little in efforts aimed at prevention. The Chef de Cabinet highlighted that the report Member States have tasked the Secretary-General to present during the 72nd session of the General Assembly would place sustaining peace at the core of the United Nations. It would address the progress made on operational and policy coherence, leadership and accountability, capacities and partnerships, and would present options on increasing, restructuring and better prioritizing funding dedicated to United Nations peacebuilding activities. The Secretary-General's report would also be a significant opportunity to use prevention and sustaining peace as the "thread" through which the relevant aspects of the ongoing reform processes are brought together to support the priority of an integrated and comprehensive approach. The proposed platform for prevention would be a central element of this report to support coherence, leadership and accountability, capacities, partnerships and financing for sustaining peace. The Chef de Cabinet reemphasized the Secretary-General's priorities concerning investing in women. She also stressed the importance of financing gender-responsive peacebuilding and the target of allocating a minimum of 15 per cent of all peacebuilding funds to gender equality and women's empowerment as a principal objective. The Chef de Cabinet welcomed the World Bank's doubling of resources directed to fragile and conflict-affected situations. She noted the importance of financial flows within and to conflict-affected countries directed towards prevention of violent conflict, and highlighted the upcoming UN-World Bank flagship study, which will present recommendations to Member States and multilateral institutions on how to invest in sustaining peace. Noting the importance of financing the catalysing partnership she emphasized the important results of the UN-World Bank Conflict, Violence and Fragility Partnership Trust Fund, and highlighted the Public Expenditure Reviews of the security and justice sectors, carried out jointly by the World Bank and the UN. She used the case of Yemen as an example in which partnerships with strong financial components contributed to the response to humanitarian needs. She also welcomed the new Memoranda of Understanding between the UN and the African Union. She concluded that effective prevention should build on national capacities and actions and was sovereignty enhancing – with a shared responsibility of all actors, and of all sectors, including states, civil society and the private sector.

The Chief Executive Officer of the World Bank focused her intervention on the cost-saving aspect of investing in peace, noting that if humanitarian finance was a country it would be the 10^{th} largest economy in the world. With 80% of humanitarian crisis caused by conflicts, conflict was also a driver of extreme poverty. She highlighted the historical role the World Bank played in building peace in Europe in the aftermath of World War II, and urged all to focus on prevention, and noted that $1 invested in prevention amounted to $16 saved.

The Chief Executive Officer stressed that the $75 billion in the International Development Association's 18th replenishment amounted to a 50 per cent increase in resources for the world's poorest countries, taking effect on 1 July 2017, with increased staff and capacity to work with the United Nations. She used World Bank Group projects in Afghanistan and the Central African Republic as examples and noted that in Syria the Bank would be able to launch investments in peace within 48 hours of a political opening. She underscored the importance of engagement with the private sector and particularly women's economic and entrepreneurial empowerment because enabling women was an investment in peace.

The Chief Executive Officer highlighted the situation in The Gambia as a success story, and noted the joint fundraising efforts on the famine, including South Sudan, Somalia and particularly Yemen where $1.8 billion of funding was achieved with the UN system as a partner.

III. Working Session One: ***The United Nations partnering with key stakeholders for sustained peace:*** *Good practices and lessons learned to ensure sustainable, high-quality and long-term financing*

The session focused on concrete examples for collaboration between United Nations, IFIs, and other stakeholders in support of Member States' efforts to mobilise funding for peacebuilding and sustaining peace.

Regarding the World Bank's increased engagement in situations affected by violent conflict, the possibility of leveraging donor resources to turn one dollar into three dollars was noted. With the enlarged World Bank financial foot print in conflict-affected countries, there was emphasis on ensuring those investments helped foster peace.

Some participants expressed caution about substituting foreign direct investments for Official Development Assistance or relying heavily on remittances. These were not easily directed towards achieving peacebuilding objectives and did not always result in benefits for the wider population. Participants were encouraged to broaden the view of financial flows to also consider non-material flows, such as dispersion of information, technology and expertise, as well as the role of domestic financial institutions and sectors in financing peacebuilding objectives.

The role of the business sector as an actor, and as a "mind-set", was highlighted by a number of participants. Emphasis was put on private sector as the place where reintegration of ex-combatants happened, as well as integration of displaced victims of violence. Given the roles of the private sector in peacebuilding as well as development, the idea of business acumen and business education was emphasized as an important foundation in that regard. Women entrepreneurship was also presented as a win-win investment to achieve development outcomes along with peacebuilding outcomes. In a similar vein, the business sector was accentuated as having served a peacebuilding objective as well as a source of domestic revenue. The challenge of raising domestic revenues in conflict and post-conflict situations persisted.

The overall empowerment of women and investments in women's peacebuilding was stressed as a core task of the multilateral system. Multiple participants stressed their work towards women's empowerment, and a number of participants commended the Peacebuilding Fund for having exceeded the 15 per cent target for allocation towards gender-responsive peacebuilding.

Partnerships among multilateral organizations, including the UN, World Bank, African Union and the European Union were highlighted as a core component of increasing complementarity and building the right capacities in the right places. It was noted that to a large extent the multilateral system was on the same page and geared towards working together. Discussions coalesced around the role of more non-fragmented, non-earmarked resources as a driver of coherence, noting in particular the funding shortfall of the Peacebuilding Fund. Participants noted the potential for crowding in remittances or foreign direct investments in innovative ways. All in all, there was recognition among panellists and some participants of the urgency of reorienting financing, programming, analysis and delivery towards prevention of violent conflict.

IV. **Working Session Two:** ***Redefining partnership****: The potential for increased collaboration in effective resource mobilization between the United Nations and other stakeholders*

The session focused on recent policy developments and new tools for expanded collaboration with key stakeholders, such as IFIs; the PBC's role in convening and facilitating regular dialogue between the United Nations and its Member States, IFIs, where relevant, the private sector, and other stakeholders in ensuring predictable financing for peacebuilding and sustaining peace.

Participants noted that although Official Development Assistance was on the decline or stagnant, this could also be an opportunity for alternative financial flows and provide windows for governments to rethink development and allow recipient governments to take initiatives for projects to be jointly financed by donors and investors. Participants urged that existing resources be directed more towards building government capacities to make government a more credible partner. This was noted as a task often under-prioritized compared to support for non-governmental organizations. Noting weak state capacities in certain areas and the rising demand for partnerships, participants urged that donors take the time and investments necessary to build partnerships, and stressed that successful partnerships are centred around shared values rather than financial mechanisms.

The notion of fragility was questioned by a number of participants, as it was often associated with income levels, while the problems of conflict and violence were known to affect middle and higher-income countries as well as the least developed countries. In addition, there was concern that the term deterred foreign direct investments. The African Development Bank noted their ongoing work towards a revised concept. They also noted the inadequacy of the term ”in transition.”

A range of innovative financial mechanisms were highlighted as having potential in the area of prevention and sustaining peace. These included the pooling of resources into investment firms to ensure sustainable revenue for non-governmental organizations working in peacebuilding; aligning pension fund portfolios with the Sustainable Development Goals; establishing consortiums across civil society organizations and private sector use of blended finance for peacebuilding objectives; monetizing assets such as land and transport to finance small non-governmental organizations; charging for services provided or workshops; and impact investments.

Multiple participants raised the issue of effective use of development and humanitarian resources. By adjusting the delivery of humanitarian and development operations, significant contributions towards sustaining peace could be achieved with limited financial consequences. Humanitarian support had at times exacerbated exclusion and resulted in uneven distributions, benefited one party to a conflict at the detriment of others, and thus worked contrary to achieving peacebuilding objectives. Participants noted the importance of translating the intentions of policymakers across development, humanitarian and peacebuilding, into mutually complementary operations. It was noted that in field settings conflict-sensitive humanitarian or development programming remained the exception rather than the norm. In many instances, development was creating the exclusions that could be addressed more vigorously by national governments and IFIs more attuned to local contexts, including through more progressive social cohesion strategies.

Directing financial flows towards women’s empowerment was emphasized by a number of participants as a key to achieving developmental outcomes as well as sustaining peace, as societies with higher levels of gender equality were also less prone to violent conflict.

The session highlighted that although private sector foundations played a role, global grant-making towards peace and security issues amounted to less than one percent of total grant giving. In contrast, remittances were an important avenue to put to use towards sustaining peace with global remittances on the rise and with private companies able to leverage the financial flow towards investments. Other financing aspects to consider were the domestic financial and banking sectors with financial inclusion noted as a potential enabler of sustaining peace.

Participants noted that the Peacebuilding Commission could do more to support countries in their fundraising efforts and the multilateral system should do more towards capacity building, particularly by sharing know-how regarding fundraising or focusing on capacities to take part in trade negotiations on favourable terms with foreign investors. South-

south cooperation and learning was also underlined, and the experience of Rwanda as an example was noted.

V. Closing segment

The President of the General Assembly noted that a discussion on financing sustaining peace was timely considering the difficulty with which the international community was able to mobilize resources for prevention. New incentives were needed to shift financing towards peace and to build inclusive partnerships to that end. The President commended the Peacebuilding Commission for recent initiatives to enhance its convening role. He took particularly note of the Commission's ability to convene discussions on regional cooperation, and on countries not officially on the agenda of the Commission, as well as organizing focal points for thematic issues. The President highlighted the fight against illicit financial flows, the role of regional financial institutions and the importance of private partners as key priorities to sustain peace.

The Chair of the PBC closed the session by calling attention to the UN-World Bank Partnership Framework for Crisis-Affected Situations as a heartening achievement. He further noted the importance of financing instruments that moved beyond Official Development Assistance and stressed the need to make development and humanitarian assistance more conflict sensitive, noting that prevention of violent conflict was a shared responsibility of all actors and stakeholders. The Chair also urged the need for coherent financial resources in multilateral response, and noted that peacebuilding is not a piecemeal exercise.

VI. Recommendations and next steps

A. Summary of recommendations:
- Follow up to the joint statement issued by PBC and World Bank with a view to further strengthen the collaboration between Commission and Bank.
- Strive to achieve synergies between the proposed World Bank Global Crisis Response Platform and the UN Platform for Prevention. Adequate finance for sustaining peace would require strengthened partnerships and alignment of financial flows.
- The peacebuilding impact of Official Development Assistance can be enhanced if it contributes to the inflow of Foreign Direct Investment, enables longer term investments from remittances and other private flows. Consider innovative ways to enable long-term project cycles to allow for achievement of peacebuilding objectives. Explore innovative use of remittances as well as the domestic financial sector's role in development and peacebuilding.
- Multilateral Development Banks to de-risk investments in conflict-affected countries in order to crowd in more private investments.

- As prevention is a task for all stakeholders, national and international, financial flows to conflict-affected countries should contribute to sustaining peace, and at a minimum programming across development and humanitarian sectors should do no harm and be conflict-sensitive.
- Increase funding for the Secretary-General's Peacebuilding Fund, noting the increasing demand for prevention in an environment where the cost of crisis are exceeding the crisis response capacities of the international community.

B. Next steps

The Organizational Committee will discuss the emerging recommendations generated through the working sessions. These recommendations would be reflected in the PBC's next Annual Report. The Peacebuilding Support Office was requested to provide the necessary policy and secretariat support to this exercise.

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