

Peacebuilding Commission Annual Session

“Financing for Peacebuilding”

Chair’s Summary

On 2 November, the Peacebuilding Commission convened its annual session under the theme ‘financing for peacebuilding’. The meeting, chaired by the PBC Chair, H.E. Mr. Bob Rae, offered an opportunity to emphasize the centrality of peacebuilding in the midst of the COVID-19 pandemic and to share practices and experiences with key partners on ensuring sustained support to nationally- and locally-owned peacebuilding strategies and initiatives in conflict-affected countries; make concrete suggestions for how the Peacebuilding Commission can be better utilized in promoting more coherent and sustainable approaches to peacebuilding financing and in ensuring conflict-sensitive recovery from the COVID-19 pandemic; consider options for ensuring predictable and sustained financing of United Nations peacebuilding activities, including those proposed by the Secretary-General, as well as suggestions by Member States and civil society, which could be implemented on a bilateral, or multilateral basis; and identify good practices from the catalytic and flexible approach of the PBF, its complementarity with other funding mechanisms, and its synergies with the PBC.

In his opening remarks, **the Chair** stressed that despite knowing that prevention works and is cost-effective, little progress has been made in financing for peacebuilding. He noted that financing currently remains heavily dependent on a small group of traditional donors to provide voluntary and extra-budgetary support. While the annual session would explore options for predictable and sustained financing, the Chair also announced that Canada’s Minister of Foreign Affairs would co-chair a replenishment conference for the Peacebuilding Fund in January 2021 to discuss meeting targets and receive pledges.

In his recorded remarks, the **Secretary-General** emphasized that adequate, predictable and sustained financing was more important than ever in view of the COVID-19 pandemic and called for concrete action. He recalled that the Peacebuilding Fund was quick to respond to the pandemic in mission and non-mission settings and, given that the demands for the fund far out-pace the resources, the PBF target for 2020 was scaled back by \$30 billion. He informed that, without additional commitments, the PBF’s target for 2021 will need to be reduced by a third and called on Member States to make voluntary contributions to the PBC. In light of UNAMID’s drawdown, the Secretary-General also recalled his proposal to voluntarily commit the equivalent of 15% of the final full year budget of the mission to peacebuilding activities each year, and for two years after the mission’s closure, informing that some Member States have responded to his proposal by committing unspent peacekeeping budgets. He underscored the need for a dedicated minimum of 15 percent of all UN-managed funding in support of peacebuilding projects to advance gender equality and women’s empowerment - and that Member States contribute specifically in this area, where resources are scarce but the impact great. Lastly, he urged donors to commit to spending at least 20 percent of Official Development Assistance (ODA) on peacebuilding priorities in conflict-affected settings.

Ms. Susanna Moorehead, Chair of OECD Development Assistance Committee, informed that during the last five years, ODA for peacebuilding has decreased. She underscored that ODA is under enormous pressure and that Member States are preoccupied with their domestic agendas. She noted that a ministerial-level meeting would be held soon to discuss options for generating more ODA support. She stressed the need to explore less expensive options for supporting peacebuilding, noting that a recent OECD fragility report emphasized diplomacy in the promotion of peacebuilding. Additionally, she noted the importance of joint programming and implementation across the humanitarian, conflict prevention and development divides for its cost-effectiveness. She closed by stressing that the silver lining of COVID-19 has been that the international community is reminded that prevention and preparedness is better than a cure and called upon Member States to use resources more effectively.

Dr. Khaled F. Sherif, Vice President of the African Development Bank stressed that COVID-19 has affected Africa's positive growth trajectory, hitting the most vulnerable the hardest. To create wealth and address the basic needs of the communities, and fight against the pandemic's impact, he explained that investing at the community-level would be key. He argued that as long as there was food insecurity, there would also be fragility. He underlined the need to promote fiscal decentralization to shore up development of private sector-driven economies at the local-level, stressing that it was essential to connect people and markets to create wealth with regional value chains. Value chains, he informed, were a way to stimulate local consumption, signaling to the private sector to invest, and thus creating a demand signal that would create jobs. He noted that it would be critical to find models specific to regional development, community development, and wealth creation to create a level of consumption based on increasing levels of disposable income to break the chain of lack of growth incomes, which leads to insecurity.

Mr. Franck Bousquet, World Bank's Senior Director for Fragility, Conflict and Violence, briefed the Commission on the World Bank's efforts to scale-up financing in support of countries that are affected by fragility, conflict and violence as well as the importance of the Bank's partnership with the UN system. He stressed that the pandemic is exacerbating existing inequalities and vulnerabilities, worsening previous projections that by 2030 nearly two-thirds of the world's extreme poor would be concentrated in countries impacted by fragility, conflict and violence. He informed that these countries are experiencing their worst recession on record, with some countries' GDP expected to contract over 10 percent this year in addition to a decrease in remittance flows. He underscored that the Bank has responded quickly, providing up to \$160 billion in financing, and in alignment with the Bank's Fragility, Conflict and Violence (FCV) strategy. Mr. Bousquet stressed that the World Bank recognizes the importance of investing in prevention and is helping countries across the fragility spectrum to address grievances, thus allowing governments to tackle risk and avoid additional insecurity and humanitarian crises. Mr. Bousquet emphasized that the partnership with the UN has been critical in their COVID-19 response and gave examples of successful partnerships in South Sudan and Yemen, among others, as well as partnerships with peacekeeping missions. Additionally, he noted the importance of bilateral partnerships, particularly in conducting joint recovery and peacebuilding assessments which help ensure coordination and supplement the Bank's development mandate.

Ms. Anne Anderson, Chair of the PBF Advisory Group emphasized that financing for peacebuilding is insufficient, unsustainable and dependent on a small donor base. She briefed that the PBF Advisory Group is fully committed to maximizing value for money; however, a critical mass of resources is required to respond to the needs, particularly in view of the COVID-19 pandemic. She noted that the PBF funds are stagnant and far below the target for 2021. Noting the catalytic nature of the PBF, she explained how the PBF complements and categorizes other sources of financing by leveraging funds, noting that between 2017 and 2019 the PBF mobilized eight additional dollars for every dollar spent. She also stressed that the PBF helps to develop processes and frameworks and establish proof of concept which subsequently encourages investment and scale-up by other partners. In this regard, she provided examples of PBF pilot projects which spurred additional investment by partners such as the EU and African Union. She informed that 40 percent of PBF funding supports gender equality and women's empowerment, the highest across the UN family, and reiterated the cost-effectiveness of investing in prevention. Ms. Anderson closed by encouraging Member States to match the positive rhetoric around peacebuilding with serious commitments at the PBF replenishment conference in January.

Ms. Benbaba Jamila Ferdjani, Chair of Mali's Laham Industries, informed of the challenges of operating in the agribusiness sector, namely the cattle and meat industry, amid the pandemic and during political conflict and insecurity in Mali. She briefed that the goal of Laham Industries is to promote Malian meat in the subregion and internationally, and that they are in the process of obtaining the ISO 22000 certificate for food safety management, thanks to support from the IFC. She stressed that the pandemic and the embargo due to the recent *coup d'état* have caused an unprecedented economic crisis, slowing down exports and causing Laham Industries to cancel several purchase orders with countries in the subregion. She informed of difficulties in obtaining financing because Laham Industries is a woman-owned business, noting the Malian banking network's lack of confidence in investing in women. In this regard, she stressed the importance of obtaining sustainable and consistent financing to allow for the continued development and organization of the sector, which would aid Mali's industrialization and create jobs and sustainable income and decrease the risk of insecurity.

Member States welcomed the briefings and made the following observations:

- They recognized the need for adequate, predictable and sustained resources for peacebuilding, particularly in view of the exacerbated inequalities and vulnerabilities caused by the COVID-19 pandemic in conflict-affected settings.
- They expressed concern at the significant increase in global poverty due to the socio-economic impact of the pandemic and emphasized the value of prevention and the need to ensure that the promotion of economic growth is guided by conflict sensitive policies that reduce inequalities.
- Several speakers noted that without a prevention-based approach, development and humanitarian initiatives will not be effective in containing the direct and indirect impacts of the pandemic.
- Member States underscored that it is the collective responsibility of the international community to promote peacebuilding and encouraged more robust efforts to ensure

coherent UN action in support of national peacebuilding priorities, with sharper focus on results and strong partnerships with IFIs, civil society and the private sector.

- They underscored that predictable resources are necessary to empower women and youth peacebuilders and mediators and enable women entrepreneurs to be agents of change in conflict-affected settings.
- They recognized the PBF's catalytic effect and commended the good practice of regularly sharing the PBF's work and results on the ground as well as the dedication of 40 percent of investments to gender equality and the empowerment of women (GEEW).
- Member States expressed strong support for both additional voluntary funding contributions to peacebuilding, including by increasing the PBF's donor-base, and for reviving the discussion on assessed funding for peacebuilding.
- A number of them expressed support for the use of programmatic funding to support mandated peacebuilding activities in peacekeeping settings, especially to ensure their continuation following a Mission's closure.
- Some Member States positively reflected on the SG's call for voluntary contributions of unspent committed peacekeeping budgets.
- A few Member States highlighted the potential for developing the concept of "good peacebuilding donorship" and called for the deeper exploration of innovative financing sources, while recognizing its limitations.
- A number of Member States welcomed the role the PBC can play in advancing discussion on financing for peacebuilding.