

PBC ANNUAL SESSION - 2015

23 June 2015

Concept paper and programme

Predictable financing for peacebuilding: Breaking the silos

The 2014 Secretary-General's Report on Peacebuilding in the Aftermath of Conflict (A/69/399-S/2014/694) identified rapid and predictable funding as a critical element of international support for transitions from violent conflict to sustainable peace and development. The lack of funding in areas that are critical for peace consolidation, with a particular focus on root causes of the crisis, represents a major gap in international efforts to prevent the relapse of countries emerging from conflict.

Rather than a set of activities undertaken simultaneously or in sequential order, peacebuilding is best viewed as a dynamic process, with opportunities emerging throughout the arc of the crisis. Peacebuilding investments should start early as the opportunities present themselves to build the foundations of inclusive political settlements or help build key institutions. Currently, peacebuilding-related funding is often ad hoc and unable to maintain coherence between different stages of necessary engagement and separate funding streams. In this regard, there is a need to address the complexity of conflict and post-conflict settings by enhancing the speed, flexibility and risk tolerance of international support.

More predictable funding for a broad range of early and targeted engagement that integrates different approaches remains critical for building and sustaining peace. Investments in supporting political dialogue and strengthening of security and justice institutions, as well as civil administration are necessary both during and after violent conflict. In the area of essential social service provision, institutional capacity-building needs to be organized in the context of longer-term post-conflict peacebuilding planning as opportunities to invest in early recovery appear.

The Peacebuilding Commission's annual session in 2015 offers a platform for exchanging views on practical ways to further define intergovernmental avenues aimed at enhancing predictability of peacebuilding funding. In addition to enhancing the predictability and coherence of international mechanisms, there is a need to explore means to strengthen the effectiveness and potential of domestic resource mobilization for peacebuilding.

Two interactive working sessions will address specific aspects of the main theme and will be organized around the two sub-themes detailed below. The sessions will bring together Member

States, key multilateral and regional institutions, as well as relevant UN operational entities, and relevant experts.

The discussion is envisaged to contribute to: a) addressing the unpredictability of peacebuilding funding and the lack of suitable financial mechanisms for early and sustained peacebuilding; and b) greater focus on practical measures to enhance capacity development for domestic revenue generation, including through national capacity building to coordinate and control of illicit financial flows, as well as post-conflict financial aid management.

Sub-theme 1: Predictable funding and fragmented international aid architecture

The donor community and their implementing partners have struggled to develop financing instruments that deliver efficiently in complex post-conflict settings. Responsibilities are often spread across multiple institutional mandates and budget lines, thus complicating efforts for greater coherence among and complementarity of these different mandates. This has resulted in both duplication and a fragmentation of efforts, preventing strategic linking of different instruments to a coherent delivery strategy, as well as to national strategies and priorities.

Financing needs to start rapidly, yet be medium term in length to offer predictability. Priorities must be nationally owned but also emerge from realistic conflict analysis that is based on the perspectives of national governments in coordination with other stakeholders. Developing national priorities in an inclusive manner can take time, at odds with the need to respond quickly. Having multiple donor interactions with governments – required sometimes for donors to have confidence in the political commitments of the authorities – burdens stretched governments even further. Pooled funding mechanisms, which rely primarily on national governments to be responsible for fund governance, can also help by establishing clear mechanisms to ensure transparency in spending funds provided by donors and the assistance in prioritisation of support for post conflict peacebuilding activities, including for key state institutions.

To increase trust amongst governments and their partners, capacities of national authorities/institutions should be strengthened to better plan, prioritize, regulate and monitor the efficient utilization of consolidated external aid. It is increasingly evident that fragmented international aid is not only inefficient but there is also disconnection between peacebuilding needs at the grass-roots level and action by international donors.

The discussion could therefore address how the international community could organize itself and its relations to partner countries to increase the predictability of funding for critical early and long term peacebuilding-related engagements as well as how the international community and donors can view the long term development strategies in the countries emerging from conflict through a peacebuilding lens. It can also address how financing mechanisms can be used to reassure investors and rapidly bring to scale peacebuilding related efforts (i.e. catalytic, sustained and coherent funding streams in support of critical political processes, core state functioning, and security and justice institutions). The discussion can also focus on potential mechanisms that can better respond to the typically dynamic and non-linear nature of post-conflict settings.

Sub-theme 2: Domestic sources of financing for peacebuilding

In addition to enhancing the predictability and coherence of international mechanisms, there is a need to explore means of strengthening domestic resource mobilization for peacebuilding. This entails structured support for building national capacity for revenue generation and effective financial management in post-conflict countries. Strengthening national systems for aid and domestic revenue management will help to avoid the relapse into conflict, including through strengthening the social contract, enhancing ownership of peacebuilding processes, unlocking resources for public service delivery and encouraging greater coherence amongst donors. A country's post-conflict financial management practices depend on institutional capacity, which can be supported and incentivized by the international community, including through revitalizing the economy, applying international legal frameworks aimed at identifying and curbing illicit financial flows, building greater national capacity in the extractive sector and relaxing trade barriers.

The discussion could address challenges and opportunities for longer-term international support and capacity development in countries affected by or emerging from conflict.

Format:

Opening and closing sessions

Will be held in plenary and will be designed around opening remarks by invited dignitaries and keynote address by an international figure. The keynote address should help frame the thinking around various aspects of the overarching theme and areas for improved policy approaches and coordination.

The closing session will be addressed by the Presidents of the General Assembly and the Security Council.

Interactive working sessions on sub-themes

The interactive working sessions will take place in between the opening and closing sessions. It will bring together Member States (including Chairs of CSCs and countries on the agenda), relevant UN officials, representatives of institutional partners (IFIs, etc.), regional and local actors, relevant experts (practitioners/academia) and civil society organizations.

The interactive working sessions will be initiated by two short presentations by invited lead speakers addressing the questions suggested for discussion. At least one presentation should draw, to the extent possible, on specific country example(s). The presentations will be followed by an interactive discussion with invited participants. Each working session will have a designated moderator and, possibly, designated respondents from the floor.

Structure/Programme:

Opening session

10:00 – 11:00 a.m.: Opening remarks by the PBC Chair, DSG + Address by a
Keynote-speaker

Interactive working session (1)

11:00 a.m. – 01:00 p.m.: **Predictable funding and fragmented international aid architecture**

Interactive working session (2)

03:00 – 05:00 p.m.: **Domestic sources of financing for peacebuilding**

Closing session

05:00 – 06:00 p.m.: Closing remarks by the Presidents of the General Assembly and the Security
Council

Concluding remarks by the PBC Chair

Outcome:

As set out in the agreed modalities, the principles, conclusions and recommendations of the annual session will be considered and agreed by the OC and reflected in the PBC's annual report. The Chair will submit an informal Chair's report of the discussions which will be the basis of the OC deliberations.

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