



© jscreationzs

## Resource Mobilisation for Peacebuilding Priorities: The Role of the Peacebuilding Commission (PBC)

31 August 2012



## Table of Contents

Key recommendations.....	4
Introduction .....	9
Current Trends .....	10
Enhancing country ownership and leadership in resource mobilisation .....	13
Developing new approaches to mapping of peacebuilding finance .....	14
Forging international partnerships and coordination .....	16
Engaging foreign private sector firms.....	18
Supporting local private sector growth .....	22
Strengthening Intermediation role of local financial institutions .....	23
South South cooperation and enhancing technical cooperation.....	24
Outreach to Philanthropic Foundations .....	26
Further leveraging and catalysing PBC – PBF Synergy.....	28

## List of Acronyms

AfDB	African Development Bank
BRICS	Brazil, Russia, India, China and South Africa
CAR	Central African Republic
CGAP	Consultative Group to Assist the Poor
CSC	Country Specific Configuration (of the PBC)
CSP	Country /Assistance Papers
DESA	United Nations Department of Economic and Social Affairs
DDR	Disarmament, Demobilization and Reintegration
EITI	Extractive Industries Transparency Initiative
FDI	Foreign Direct Investment
IBSA	India Brazil South Africa Dialogue Forum
IFIs	International Financial Institutions
IGAD	Intergovernmental Authority on Development
IMF	International Monetary Fund
INCAF	International Network for Conflict and Fragility
KP	Kimberley Process
LDC	Least Developed Country
MDG	Millennium Development Goal
MDTF	Multi Donor Trust Fund
MFI	Micro finance Institution
NGO	Non Governmental Organization
OC	Organizational Committee (of the Development Committee)



frameworks, such as Poverty Reduction Strategy Papers (PRSPs), peacebuilding frameworks and sector strategies.

## **Forging international partnerships and coordination**

## Supporting local private sector growth

*Recommendations for the Chair and the members of the country configurations:*

- The PBC engages in advocacy work to ensure the creation of an enabling environment for private sector growth, including through consultation with business owners, manufacturers and investors. The PBC, supported by the PBSO, could point to good practices in other countries in this regard.
- The PBC could help share experiences among members of the configurations and other Member States in drafting and implementing private sector growth strategies, which could include issues of legal and regulatory reforms concerning, infrastructure, business environment, professional organizations, labour regulation, etc.
- The PBC could also urge the international community to work together on developing joint strategies for local procurement of goods and services, for example, with an expert partner, such as the Building Markets.
- When meeting heads of mission, ambassadors and heads of international agencies and NGOs in the country, the Chair could urge his/her interlocutors to develop a strategy for local procurement.

## Strengthening intermediation role of local financial institutions

*Recommendations for the Chairs and the members of the country configurations:*

- The PBC could encourage national and international microfinance organizations, partnering with different stakeholders to develop microfinance institutions in the countries on its agenda.
- The PBC can use its convening power to call for enhancing international assistance to national governments for improving their capacities and resources in the national policymaking, oversight and regulatory frameworks, pertaining to microfinance as well as provision of other financial services.
- The PBC could share experiences among its members and beyond about **strengthening**



## Further leveraging and catalysing PBC – PBF synergy

*Recommendations for the Chair and the members of the country configurations:*

- PBC should support efforts at better aligning PBC instruments of engagement with PBF Priority Plans for countries on the agenda of the PBC. The Liberia Peacebuilding Programme provides a striking illustration of such an effort. The LPP translated the commitments the PBC's Statement of Mutual Commitments for Peacebuilding in Liberia into concrete programmatic activities and draws together the work of all key stakeholders (Government, bilateral and multilateral donors, including the UN system and the PBC) represents a model for PBC PBF synergy for countries on the PBC agenda and should be adopted, to the extent possible.
- Peacebuilding activities and financial needs assessments for countries on the PBC agenda should go beyond the funding scope of the PBF to facilitate scaling up and/or leveraging of new and additional funding from other sources.
- Although the PBF does not allow earmarking of contributions, the priority plan for agenda countries can be enhanced to enable PBC to facilitate donor contributions towards specific activities. Modalities for making such contributions should be further elaborated drawing on experiences such as the Liberia Expanded Priority plan.



## Introduction

The mandate of the Peacebuilding Commission (PBC), as outlined in the founding resolution, includes marshalling resources and helping to ensure predictable financing for immediate post conflict activities. Marshalling resources is a multi faceted task, which will grow in importance and urgency, as more countries enter the agenda

UN Doc ID: A/65/587  
Page 1 of 1

chairs and country configurations may find some proposed approaches and recommendations more suitable to their country contexts than others.

This paper was discussed by the Organisational Committee on 9 July 2012 and has been revised to incorporate a few changes to reflect some comments made at, and developments since, that meeting.

## **Current Trends**

An important first step is to take stock of the changing landscape of global resource flows, in particular to conflict affected countries. The Peacebuilding Support Office will publish a separate paper focussing on resource flows to the countries on the PBC agenda in the middle of 2012 but a few pertinent observations are presented here. A recent report from the Organisation for Economic Co operation and Development's Development Assistance Committee (OECD DAC) concludes that: "Whilst the global fight against poverty is progressing, a group of 45 countries in situations of acute fragility continue to fall behind"<sup>iii</sup>. None of the world's conflict affected countries is on track to achieve a single of the Millennium Development Goals (MDGs). While all the PBC countries on PBC agenda belong to this group, financial flows to the countries on the PBC agenda, calculated as the average net disbursement of Official Development Assistance (ODA) per capita, has been consistently higher than the average flow to all countries in the group of Least Developed Countries (LDC) excluding countries on PBC agenda between 2000 and 2010 as

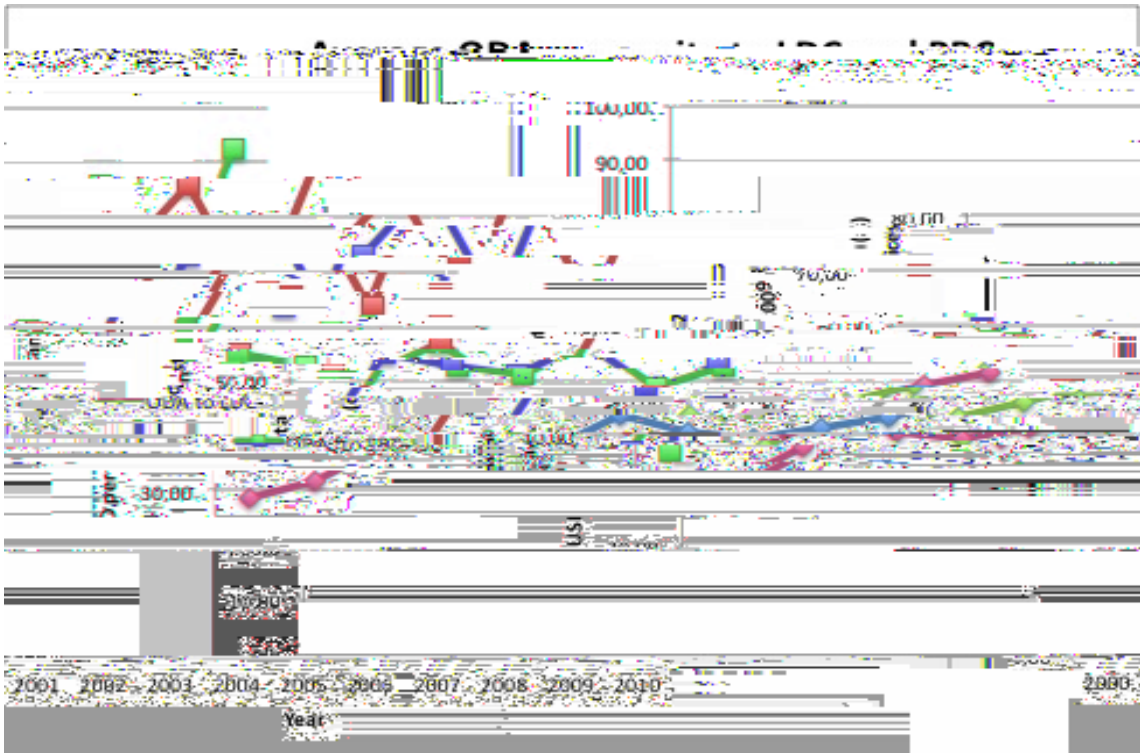


Figure 1 Net ODA disbursement per capita by calendar year in US\$ (cTc0003TtT01TtrgTn3.9220Td0003TtT01Tf0.0001Tc0.2

investment totaled

In as much as PBC has made progress in developing partnerships with the international financial institutions, in particular the World Bank (WB) and the African Development Bank (AfDB) and other institutional and bilateral donors; there is much scope to deepen those relationships. Thus, this paper is offered as a contribution to PBC to build on its existing practices and extend the frontiers of its current efforts to the

of the

Partnership Forums, Donor Roundtables or Consultative Group meetings offer an opportunity for the PBC to undertake advocacy to promote enhanced international support for the countries on its agenda but also to collaborate with other institutions, in particular the United Nations Development Fund (UNDP), AfDB, the World Bank and International Monetary Fund (IMF) in support of the agenda countries. It also offers an opportunity to ensure that peacebuilding objectives are thoroughly integrated in key documents and outcomes in relation to roundtables. Equally important, it offers an opportunity for the PBC to strengthen national ownership by having the Chairs of the Country Specific Configurations (CSCs) and representatives of the governments on the agenda jointly undertaking advocacy and resource mobilisation work.

*Recommendations for the Chair and the members of the country configurations:*

- Advocating for the creation of effective national institutions, where appropriate, for collection and management of public revenues.
- Encouraging governments to establish mechanisms that enhance transparency, promote dialogue and accountability to both donors and their citizens.
- Where appropriate, using the meetings of the CSCs and visits of Chairs and PBC delegations to share experiences from other countries, drawn from the work of the Working Group on Lessons Learned and from PBSO's knowledge networks.
- PBC could urge the government to draft a resource mobilisation strategy and advice on the broad portfolio of funding sources: IFIs, philanthropy, bilaterals, thematic trust funds, new donors, etc.
- The PBC could (continue to) assist governments in the countries on the agenda in organizing roundtables, Partnership Forums, etc.

## **Developing new approaches to mapping of peacebuilding finance**

In his 2009 report on "Peacebuilding in the immediate aftermath of Conflict", the Secretary General noted that aid coordination and reporting was essential for national ownership, prioritisation, the mobilisation of resources and transparency. More recently, both the International Dialogue on Peacebuilding and Statebuilding (Dialogue) and International Network for Conflict and Fragility (INCAF) have reiterated the importance of putting in place effective processes to coordinate aid and systems to monitor and report on the inflow of development assistance. Of particular importance in this regard is the assistance to peacebuilding activities. Indeed, the Dialogue has "agreed to OPR (as peacebuilding)

challenging to coordinate, monitor and report on, especially as such activities combine ODA and non ODA

- The PBC could help mobilising funds for such systems if and when needed.
- The PBC could itself request reports on aid flows to help nurture demand and to increase the interest in developing or maintaining a functional aid information systems.
- The PBC could urge development partners to use aid information reports to inform donor coordination and strategic planning exercises within the donor community and between the government and development partners.
- The PBC Chairs could advise the government and development partners to use national aid information systems to monitor funding towards national planning frameworks, such as Poverty Reduction Strategy Papers (PRSPs), peacebuilding frameworks and sector strategies.

## Forging international partnerships and coordination

The importance of developing partnership with international and regional financial institutions was recognised in the resolution establishing the PBC, wherein it is stated that representatives from the WB, the IMF, the regional development banks and other institutional donors should be invited to participate in the meetings of the Commission. In the case of the WB, cooperation has been boosted by the World Bank UN Partnership Framework for Crisis and Post Crisis Situations, signed in 2008 by the Secretary General and the President of the World Bank, and the UN World Bank Partnership Trust Fund.

In thinking about deepening partnership between PBC and IFIs, it helps to consider the various issues around which the partnership can be developed. The proposed collaboration can be organized around the following issues:

- a) Providing technical assistance to the countries on the agenda of the PBC, including joint collaboration on post conflict or crisis analysis and needs assessment;
- b) Offering financial support for the peacebuilding programmes in the countries on the agenda of the PBC, including exploring synergistic potential with PBF and other early funding investments;
- c) Offering financial support for the peacebuilding programmes in the countries on the agenda of the PBC;
- d) Undertaking joint advocacy work in support of the countries on the agenda of PBC; and
- e) Collaboration on thematic/sectoral issues at the national level or in the sub regional programmes







However, for investments to contribute actively to consolidate and build peace, they must be predicated on a conflict sensitive approach, for example through a peace conflict impact assessment (PCIA)<sup>viii</sup> of their potential contribution. In that context, the links between the presence of natural resources and conflict are of particular importance. The findings of recent studies point to a strong correlation between the exploitation of natural resources and conflict.<sup>ix</sup> Extractive industries can fuel conflict from their usage of land, water and other resources, but can also create important, positive economic impacts.

Access to and exploitation of natural resources play an important role in all of the countries on the PBC's agenda. Investments in non extractive industries can also play an important role in peacebuilding by providing jobs and opportunities and applying peacebuilding sensitive principles. The PBC, supported by PBSO, has a role in promoting peacebuilding sensitive private investments and in promoting existing tools and partnerships within the UN system and international community in this regard. The experience in Rwanda<sup>x</sup> shows that the adoption of investment friendly regulation and legislation as well as providing support to potential investors can help trigger large Foreign Direct Investment (FDI) inflows in post conflict environments. The government, on the other hand, must also have the capacity to ensure that these investments are conflict sensitive and contribute to sustainable peace, comply with labour laws and regulations, respect human rights, and ensure that national authorities retain control over policy on critical resources, corruption is attacked, tax req

Figure 3 FDI flows to PBC countries per capita in USD. Source: UNCTAD, World Investment Report 2011; [www.unctad.org/wir](http://www.unctad.org/wir) or [www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)

The PBC could support mitigating the negative impacts and increasing the potential positive peacebuilding impact of the private sector through raising awareness on international standards and advocating for companies to apply good international practices; encouraging exchange of information between the UN teams and the companies; promoting the inclusion of the private sector in traditional peacebuilding programmes such as Security Sector Reform (SSR) or Disarmament, ofTawi0

## **Supporting local private sector growth**

In post conflict contexts, the domestic private sector represents a large and usually under utilized resource with enormous potential that can play a key role in the national peacebuilding effort, particularly in creating small and medium enterprises and creating employment opportunities.

Promoting private sector growth is a challenging task, but particularly so in post conflict and conflict affected contexts. However, creating an enabling legal, regulatory and financial framework can support the emergence of viable private firms. Peacebuilding interventions can be designed with a view to supporting the growth of a variety of private sector enterprises. Examples to be drawn on include the rebuilding of pre war key employment value chains, such as the cotton industry in Côte d'Ivoire; cocoa value chain in Sierra Leone; pottery manufacturing in Afghanistan; grass root initiatives, such as the Ghaya Links weavers experience in Rwanda; and approaches that bridge the divide between local civil society and the private sector, such as the development of rural tourism in Uganda.<sup>xiii</sup>

Moreover, the presence of peacekeeping, special political missions and international non governmental organizations (NGOs) can have a significant impact or "footprints" in the economies of countries emerging from conflict. Such missions exert

- When

## **South South cooperation and enhancing technical cooperation**

In its broadest sense, South–South cooperation encompasses aid, trade and, investment flows as well as technical cooperation among developing countries. It has significant potential for channelling support for countries emerging from conflict. Over the past decades, emerging economies around the world have experienced high economic growth rates<sup>xvii</sup>. This growing

c o o p e r a t i o n



group of African countries emerging from conflict: financial support; technical assistance; requesting African countries to provide places in their institutions for training personnel from countries emerging from conflict; and sharing of lessons and experiences in post conflict reconstruction and development.

Strengthening technical cooperation, particularly through new providers of capacity, holds great potential. The recent Review of International Civilian Capacity proposes recommendations that will make it easier for the United Nations and partner countries to draw on capacities outside the United Nations system.

South South cooperation alone is estimated to amount to more than US\$15.3 billion, which is likely to be an underestimate.<sup>xix</sup> Of the different forms that South South cooperation has taken, technical assistance has been the most common. Although many technical assistance projects focus on economic and social development, countries in the Global South have also developed specialized

with Norway to strengthen public administration in Angola and Guinea Bissau, as well as cooperated with the United States to strengthen Guinea Bissau's National Popular Assembly. Funded by Sweden, South Africa provided police training and capacity development in Rwanda. The Review of International Civilian Capacity has proposed strengthening UNDP's role in supporting South South and triangular arrangements in post conflict settings.

*Recommendations for the Chairs and the members of the country configuration:*

- Identify new donors with an existing or future interest in the country and arrange bilateral meetings with them at the country level as well as in New York to generate interest and direct financial commitments to key peacebuilding needs. The future "Cap Match" resulting from the Review of Civilian Capacities may be a useful tool to this effect. A particular focus may be given to identifying effective processes for linking financial needs of a country on the PBC agenda to specific priorities of the new donors.
- Encourage potential or interested emerging donors to join the CSC or invite them to selected open meetings. Include new donors in the distribution of materials and invite new donors to donor meetings.
- When a need for technical assistance has been identified, the PBC may try to "match make" with capacities of the members of the CSC, bilateral actors on the ground, regional and sub regional organizations and regional bilaterals. South South partnerships should be an important component in this regard. A wide portfolio of technical expertise is also available through providers such as United Nations agencies, funds and programmes, the International Financial Institutions, regional and sub regional organizations, Centres of Excellence, etc.
- Where needed, the PBC could support the government in seeking funding partners for triangular cooperation. UNDP and other actors on the ground can often assist

Foundations, whether private or funded by donors, can



Although, the PBC does not have decision making powers over PBF allocations, it can offer advice and guidance on PBF investments in line with strategic priorities identified in the instruments of engagement adopted by PBC and the countries on its agenda. The PBF currently allocates approximately 60 per cent of its funding toward countries on the PBC agenda (figure 4). PBF financing of peacebuilding in PBC countries remains a crucial part of its engagement and should be sustained. In addition, mechanisms for the strategic use of PBF resources to leverage and be catalytic need to be developed.

Administered by PBSO with final allocations determined by the Secretary General, PBF funds provide “funding of first resort” to advance PBC engagement in areas where no other source of funding is available. The PBF was explicitly designed with an independent accountability mechanism intended to delink its decision making process from the intergovernmental political process of the PBC.<sup>xxiii</sup>

Over the years, the efforts have been made to better align the instruments of engagement by PBC and the Priority Plan of PBF to more effectively leverage their advantages and resources. The PBF was established to play a leveraging and catalytic role, which should be followed by more substantial, longer term finance as soon as possible for the recovery and reconstruction efforts.

*Recommendations for the Chair and the members of the country configurations:*

- PBC should support efforts at better aligning PBC instruments of engagement with PBF Priority Plans for countries on the agenda of the PBC. The Liberia Peacebuilding Programme provides a striking illustration of such an effort. The LPP translated the commitments the PBC’s Statement of Mutual Commitments for Peacebuilding in Liberia into concrete programmatic activities and draws together the work of all key stakeholders (Government, bilateral and multilateral donors, including the UN system and the PBC) represents a model for PBC PBF synergy for countries on the PBC agenda and should be adopted, to the extent possible.
- Peacebuilding activities and financial needs assessments for countries on the PBC agenda should go beyond the funding scope of the PBF to facilitate scaling up



---

i The PBC Organizational Committee has devoted sessions to Resource Mobilisation on 18 March 2009 and Employment Creation through examining the Role of the Private Sector in Post-Conflict Peacebuilding on 19 February, 2008; **The Outcome of the PBC Task force on Private sector led by Indonesia, 2nd April, 2008**; and the Working Group on Lessons Learned devoted a session to The role of PBC in Marshalling Resources for Countries on its Agenda on 26 May 2010 and Resource Mobilisation for peacebuilding priorities and improved coordination among relevant Actors on 29 March 2011.

ii See A/64/868-S/2010/393 of 21 July, 2010 page 18.

iii OECD-DAC: "Ensuring Fragile States Are Not Left Behind". 2011.

iv Christian Lotz. Journal of Peacebuilding and Development, Vol. 6 No.2, 2011.