

Funding for Peace: Lessons Learned

On the afternoon of Tuesday, June 2, 2015, the Quaker United Nations Office (QUNO) and the NYU Center on International Cooperation (CIC) hosted an informal discussion on lessons learned in funding for peace. The event involved representatives from the UN, Member States and civil society. The session sought to identify how such lessons might be reflected in the outcome of the Addis Financing for Development process.

The session was held under the Chatham House Rule.

Key Points

- *Recent research confirms that the effort to eliminate extreme poverty must of necessity address the promotion of peaceful and inclusive societies. By 2030, countries affected by conflict, exclusion and lower institutional capacity will be home to the majority of people living on less than USD 1.25/day*
- *These are the environments where existing MDG approaches have failed to build peace: success will require more comprehensive strategies that are locally led and address the strengthening of the social fabric.*
- *Funding the promotion of peaceful and inclusive societies will be critical to achieving the Sustainable Development Goals and will require flexible, risk-tolerant and coordinated approaches that will promote resilience by addressing the root causes of violence and instability, reducing humanitarian need and building institutions in a sustainable and inclusive manner.*

Summary of Issues Raised

Peace is the bedrock of development. A major lesson has been that inclusion of all people is central to achieving both peace and development outcomes. From the perspectives of poverty, peace, social justice, resilience and the right to development, the Financing for Development (FFD) process must not lose sight of the poorest and most marginalized people, such as the growing youth population, or those that live below or just above the poverty line.

Securing aid and other resources for achieving peaceful and inclusive societies is crucial, especially for the underfunded countries. So too is ensuring that the way funds are invested is transformative, enabling government and civil society actors to implement nationally-owned and led inclusive visions. National actors and the UN already make significant investments in peaceful societies across countries, including through the Peacebuilding Fund. These lessons and practices should be scaled up in the SDG era.

Though there are references to supporting peaceful and inclusive societies in the current draft (6 May) of the FfD outcome document, there are concerns among a range of countries and civil society that **the document does not give enough attention to fragile situations and countries and people affected by conflict** and other risks and vulnerabilities. As 2015 is the UN's 70th anniversary year, there will be questions about what the world is willing to do to support the poorest, most vulnerable and conflict-affected countries, such as Least Developed Countries, fragile situations, conflict-affected countries and Small Island Developing States (SIDS), and to ensure that no-one is left behind in the SDG era.

The current FfD outcome draft does commit 50% of ODA to the poorest and most vulnerable countries, to reducing the costs of remittances, to enabling private sector development and to supporting countries to attract foreign direct investment (FDI) – **only 6% of FDI to developing countries goes to those affected by conflict**. These are important commitments to closing the financing gap for achieving the SDGs.

However, **the FfD outcome document could go much further in its commitment to transformation and global social justice and equality**. Fighting poverty and leaving no-one behind must remain central resource commitments of the SDG era, and could be highlighted as a core political commitment in the section on “mobilizing support.” Sierra Leone, Guinea and Nepal were all underfunded on needs and performance-based aid allocation models before they were struck by natural disasters. The traditional donor community could commit to rectifying global inequity in resource transfers in order to ensure that no-one is left behind on poverty and other SDGs.

The action agenda could also go further in its transformative commitments, in areas such as committing to a new global partnership for stemming illicit financial flows, supporting countries to negotiate more just terms for national mining concessions, cutting tax on remittances which respond to emergencies, and committing to build the resilience of all people and societies through blended climate and development finance and pooled funds to reduce humanitarian need. The average length of displacement is now 17 years.

The voices of key actors and stakeholders such as the g7+, LDCs, SIDS and the African Union should be heard in defining the transformative approach to funding for peace in the final phase of the negotiations.

The G-20 could also take on a stronger and more high profile role in defining ambitions. It was suggested that NGOs could play a role in lobbying G-20 finance ministers to attend the conference in Addis in July, thus helping to raise the stakes for high profile outcomes. A G-20 dialogue could be useful in the run-up to Addis.

All countries could be more open to innovative models and doing business differently, such as pooled and blended funds and new global partnerships.