

## **Financing for Peacebuilding: A Primer**

1. Financing for peacebuilding is a broad topic and can include: (i) international financing of national peacebuilding efforts through multilateral or bilateral channels; (ii) international financing of peacebuilding activities of various UN entities, including peacekeeping and special political missions and agencies, funds and programmes; and (iii) domestic financing of peacebuilding efforts by national authorities<sup>1</sup> or other national actors, such as civil society or the private sector; see Figure 1.

**Figure 1 International financial flows and international and national financing for peacebuilding**



6. Overall financial flows are very unequally distributed among countries. From 2015 to 2019, overall **ODA steadily increased, but only for a small subset of conflict-affected settings**. The top six aid recipients (Syria, Yemen, Afghanistan, Democratic Republic of Congo and Iraq) comprised 52 per cent of ODA

**Figure 3: Peacebuilding investments as a percentage of total ODA in 51 conflict-affected countries, 2010-2019 (in billions of constant US\$)<sup>5</sup>**

11. Although prevention works, saves lives and resources and is a cost-effective way to secure development gains, adequate, predictable and sustained financing remains a critical challenge. As Figure 2 already showed, total ODA to conflict-affected settings has increased in recent years.<sup>6</sup> **However, of all ODA to conflict-affected countries between 2010 and 2019, only 15.3 per cent was directed towards peacebuilding<sup>7</sup>** (see Figure 3). But the share is declining. While **ODA to conflict-affected countries has increased**, reaching more than 31 per cent in 2018 and 2019, the **share within that ODA to conflict affected countries that focuses on peacebuilding has declined**, from 19.9 per cent in 2012 to 13.5 per cent in 2019 (see Figure 4). The proportion of aid going to gender equality programmes is similarly stagnating under five per cent. Peacebuilding expenditures vary significantly on a year-to-year basis and are highly unevenly distributed among countries, with Afghanistan, Colombia and Iraq receiving the bulk of the ODA-funded peacebuilding expenditures.

12. As the Secretary-General states in his 2020 report on peacebuilding and sustaining peace, ensuring adequate, predictable and sustained resources for peacebuilding remains our greatest challenge, perhaps now more than ever in the context of a global economic downturn. I fear that growing demands to address the pandemic could weaken our ability to build and sustain peace and put at risk gains. Local peacebuilders have similar fears.<sup>8</sup>

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<sup>5</sup> The data represents gross disbursements of ODA and reflects actual spending rather than commitments to spend money; while excluding debt repayments. Source: [DPPA-DPO ODA Dashboard](#), itself based on the [OECD Stat Credit Reporting System Database](#) [(92 0 612fTm0 -5(fr3.06 Tm0 Gt 0 g4(a)10au0 g.96 T5(r)-Fig1 376--2(o)-5(f5(r)-i.96 Tf1BT/F1 12

**Figure 4: ODA for conflict-affected countries, 2010-2019**

*Source: DPPA/PBSO based on OECD data*

*Different funding modalities of UN system*

13. Total revenues of the entire UN system (excluding the IMF and World Bank) were **US\$ 56.9 billion in 2019**. Entities of the UN system use different funding modalities. The most common are:<sup>9</sup> (a) assessed contributions; (b) negotiated pledges and replenishments; (c) voluntary core contributions; (d) earmarked voluntary contributions; and (e) fees.

**Figure 5: UN system total revenues by financing instrument in 2019 (US\$56.9 billion)**

*Source: Dag Hammarskjöld Foundation-UN Multi-Partner Trust Fund Office, Financing the UN Development System: Time to Meet the Moment, September 2021.*

16. **The most common funding modalities for the UN system are voluntary contributions, especially for the development pillar, accounting for about two thirds of all revenues** (see Figure 5).<sup>10</sup> Generally, most agencies, funds and programmes of the UN system receive a small amount of voluntary core contributions, through annual or multi-year pledges, that are not earmarked and not tied to specific projects, programmes, themes or geographical locations. They only account for 9.4 per cent of the total for the UN system (see Figure 5), but cover a significant share of total operations for such UN entities as IFAD, UNAIDS and UNRWA. These contributions are a mix of annual and multi-year pledges. **Earmarked voluntary contributions**, or non-core, are donations tied in some way to specific projects, programmes, themes or geographical locations, funding the bulk of activities of UN entities, such as IOM, UNHCR, UNDP, UNICEF, WFP and WHO, including humanitarian assistance. **Fees** account for the smallest share of income for most UN entities (8.8 per cent; see Figure 5) – the exceptions are PAHO, UNOPS and particularly WIPO, which covers almost its entire budget with income from fees.

17. The total revenues of the UN system (US\$56.9 billion) can be disaggregated by broad sectors: development, humanitarian assistance, peace operations and global agenda (norms, standards, policies and advocacy). The category peace operations, including special political missions, cannot be disaggregated into peacebuilding expenditures. Figure 6 shows that the **share of the peace pillar has declined since 2016**, as has the global agenda. Humanitarian assistance is the only area where the share has increased during the period 2016-2019.

18. Peacebuilding is a responsibQq(re)7(spo)- 6123y64 Tm0 g0 G[(, )] TJ58(l.lring)-8( the pe)6(ri1 -3(o 5f3



Disarmament and Reintegration (DDR), community violence reduction, and inclusive dialogues at the national or local level.

20. In Darfur (Sudan), for example, assessed programmatic funding in the UNAMID budget expanded the geographical reach and presence of the UNCT through State Liaison Functions in areas from which UNAMID withdrew. In 2019, US\$ programmatic work, accompanied by US\$20 million for UNCT partners from the PBF, laid the foundations for sustaining peace beyond the lifetime of the peacekeeping mission. The PBF will



the total annual cost of peace operations to the PBF, to be funded through assessed contributions.  
He stated:





(A/72/707-S/2018/43, paragraph 49)

*In my 2018 report, as requested by Member States, I provided options on increasing, restructuring and better prioritizing funding dedicated to United Nations peacebuilding activities, including through assessed and voluntary contributions. My options included ... the provision of assessed funding*





