Finance for Peace

Finance for Peace Standards and Certification

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financeforpeace.org

ABOUT THIS DOCUMENT

What This Document Covers

This document presents the Finance for Peace Standards and Certification: a framework for using Peace Measures in projects with the goal of reducing conflict risk, and thereby overall project risk, and for having this certified through an independent 'Peace Stamp'.

The document is primarily addressed to Project Owners and Issuers – individuals, companies or governments undertaking projects in conflict-affected or fragile settings – who want their Peace Measures recognised by investors. It is also intended for investors, investment advisers and other financial professionals seeking to align financing with peace objectives; for Peace Experts, who develop Peace Measures; and for Independent Verifiers, who assess the ongoing monitoring information and confirm compliance with the Standards.

The Standards and Certification matter because conflict risk directly affects the viability and returns of projects in fragile environments, yet it is rarely assessed or priced in a consistent way. By setting a credible, common benchmark, they aim to convince investors that Peace Measures are likely to be effective, give Project Owners a way to have their risk-reduction efforts recognised and rewarded and help unlock the capital needed to finance peace-aligned projects at scale.

> The **Standards** themselves are set out in Part 2 and are only seven pages long. The rest of the document consists of an introduction (Part 1), the certification process (Part 3), an application form with a completed example (Appendix 1) and Terms of Reference for Peace Experts and Independent Verifiers (Appendices 2 and 3).

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APPROVAL
Approved by the Finance for Peace Standards Committee and Finance for Peace Board

CONTACT
info@financeforpeace.org · financeforpeace.org

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PART 1

Introduction

1.1 About Finance for Peace

Finance for Peace is an organisation with a clear mission: to grow the global market for peace-aligned investments to over USD 1 trillion by creating market integrity through standards and certification.

The concept is simple. Conflict risks[1], mainly but not only in fragile or high-risk environments, undermine a project's viability, profitability and results. Peace Measures,[2] financed through a small share of the total investment allocation of a project, can help reduce conflict risks, leading to a positive peace impact, improving risk-adjusted returns and making the entire project commercially stronger.

This is, in essence, what peace-aligned finance is.

By providing guidance and monitoring on the application of the Standards and Certification, Finance for Peace helps Project Owners and Issuers (both referred to as 'Project Owners' in this document)[3], investors, investment advisers and other financial professionals to design and implement peace-aligned projects, creating value for:

- **Project Owners:** the potential to reduce risk, translating directly into lower funding costs; peace impact.
- **Investors: a** likely reduction in project risk, improving the risk-adjusted return and creditworthiness of the investment; peace impact; portfolio benefits.
- **Concerned local stakeholders:** projects with a positive impact that help to create favourable conditions for peace.

The Cost of Failing Projects and the Value of Risk Reduction

The cost of ignoring conflict risk in investment projects is substantial and well documented. Analysis by extractive firms shows that non-technical risks – those arising from community relationships rather than geology, engineering or markets – can cost billions over just a few years, representing double-digit percentages of annual operating profit. Social risk is often the single largest category of total project risk in complex environments.

1 Conflict risks are defined as risks that can lead to non-violent and violent conflicts, driven by a range of factors – including political, social and environmental factors – and that potentially can undermine a project's viability, profitability and outcomes.

2 Peace Measures draw on decades of conflict prevention and peacebuilding theory and practice. They are defined as measures that reduce conflict risks and help build the conditions for peace, including by strengthening communities' resilience. See section 2.5.1.

3 Regardless of who issues, or is responsible for, an investment vehicle, the principle is to look through to the entity that is the decision-maker on the application and the Peace Plan, and that is responsible for implementing and monitoring these decisions. We acknowledge that in many cases the Issuer and the Project Owner will be the same entity, and that in some cases it may be better to refer to an Issuer rather than a Project Owner. For simplicity, and to emphasise the look-through principle, we use only the term 'Project Owner' throughout this document. A bond can cover a single project or a series of projects. For equities, the relevant entity is the company, which would usually run a series of projects; information on these is needed to apply the look-through principle.

The mechanism is predictable: projects that satisfy procedural requirements while leaving land rights, benefit distribution, consent and power imbalances unresolved do not eliminate risk – they defer it, as work stoppages, permit challenges, litigation and reputational damage. Projects in the mining sector, for example, suggest that, properly priced, this social risk can cut a project's net present value by several percentage points.

Peace Measures address this across the risk spectrum. Early conflict analysis is the cheapest available risk management. Inclusive benefit-sharing removes the root causes most linked to community resistance: exclusionary decision-making and unmet benefit promises. Genuine community support can substantially raise the value of projects compared to identical ones facing community opposition. Embedding Peace Measures can also lower the credit risk premium lenders charge in fragile environments, reducing financing costs.

The aggregate savings are significant: peacebuilding research finds that every dollar spent on conflict prevention saves about sixteen dollars downstream – translating into avoided overruns, protected revenue timelines and better financing terms. Even modest funding can matter commercially. For example, if just 1% of the proceeds of a 10-year bond were allocated to Peace Measures, and this reduced the bond yield by a quarter of a percentage point, the project would save 2.5% (0.25% × 10 years). This generates a net saving of 1.5% (2.5% – 1%). This is not charity; it is good economics.

1.2 What Is Peace-Aligned Finance and Why Does It Matter?

1.2.1 Defining Peace-Aligned Finance

Peace-aligned finance is an investment approach that embeds Peace Measures, which can reduce conflict risks, into the design and implementation of a project.

Peace-aligned finance is not conflict sensitivity by another name. While it shares the objectives of doing no harm and increasing the positive contribution of a project, peace-aligned finance goes further: it proactively strengthens the social, institutional and community conditions that determine whether a project succeeds or fails. In so doing, it aims to create measurably higher risk-adjusted returns, a lower cost of capital and a lasting positive impact on the communities and environments in which projects operate.

This approach applies a proven set of Peace Measures to investment projects. These measures address the full spectrum of conflict risks that undermine project value.

The additionality should be real and quantifiable. By allocating a percentage of project value to targeted Peace Measures – for example, community engagement, local institution-building and proactive social risk reduction – Project Owners and investors can materially reduce operational disruption, protect their social licence to operate and lower financing costs.

What is new here is the mechanism: a structured, financeable approach that allows Peace Measures to be funded, measured and monetised within the project finance framework itself. The proposition is straightforward – you can do good and de-risk at the same time.

What is also new is that, rather than screening projects by what they fund (as, for example, green bonds do for environmental projects), peace-aligned finance focuses on how they are implemented, throughout the investment lifecycle.

Think of it as the conflict-risk equivalent of environmental due diligence. Just as, for example, a green bond requires an environmental impact assessment and ongoing monitoring, a peace-aligned investment requires a conflict-risk assessment, a community engagement plan and regular impact reporting.

1.2.2 The Investment Case: Why Conflict Risk Matters

Conflict and fragility affect over 50 countries and roughly a quarter of the world's population. In these contexts, much-needed investments face high risks of disruption or failure, and their commercial viability can be affected in many ways. Public and private capital avoids them because of real or perceived risks, leaving a significant financing gap and enormous opportunities untapped.

Conflict can also be an issue for investments in more advanced economies, where political and social disruption, for example, can undermine a project's viability and profitability.

For Project Owners and investors, the risks are tangible and material, and include:

- **Operational disruption:** protests, blockades and community opposition can halt or delay operations for weeks or months.
- **Asset impairment:** damage to physical infrastructure from unrest or violence.
- **Reputational exposure:** association with projects that harm or exclude local communities.
- **Regulatory and legal risk:** land disputes, lack of consent and governance failures can trigger litigation or regulatory action.
- **Sovereign risk:** in fragile environments, political instability can undermine the broader investment environment.

Project Owners and investors who can manage conflict risk effectively, by adopting a peace-aligned finance approach and Peace Measures, can gain access to funding and high-yielding investment opportunities – including bonds, loans, equity and blended finance – for which demand from institutional investors is growing.

Investment Comparison: The Example of Green Bonds vs Peace Bonds

Green bonds focus only on **WHAT** the money funds (renewable energy, clean transport, etc.).

Peace Bonds focus on **HOW** the project is implemented – ensuring conflict risks are managed and communities are engaged. Typically, around 1% of the proceeds will fund Peace Measures.

Both share key structural features: independent verification, ongoing monitoring, annual impact reporting and a certification or label that signals quality to the market.

A project can be both green and peace-aligned. For example, a solar farm in a fragile region could issue a green bond for the environmental impact and apply for a Peace Stamp if it also addressed community land-use concerns and local employment.

Although this example uses bonds, the distinction between WHAT and HOW applies to all financial instruments.

1.2.3 How Peace-Aligned Finance Can Improve Returns

Peace-aligned finance can have a direct impact on project risk and therefore on risk-adjusted returns, as it focuses on the specific, often overlooked dimension of conflict and social fragility. This differs from the broader ESG approach, which addresses commitment or progress on the environmental, social and governance aspects of an investment without necessarily offering a direct mechanism to improve financial outcomes.

The process works as follows:

1

Reduce Risk

Embed Peace Measures into the project design.

2

Build Confidence

The Peace Stamp signals that conflict risks have been assessed, Peace Measures are in place and that the impact is independently verified.

3

Attract Capital

Lower risk profile → lower cost of capital. Certified projects can access DFI guarantees, blended finance and institutional capital.

4

Deliver Impact

Stronger community relationships, reduced disruption and measurable social outcomes alongside financial returns.

1.3 The Standards and Certification at a Glance

Finance for Peace has developed two core tools, structured to be familiar to anyone who has worked with green or social bond frameworks:

- **The Finance for Peace Standards ("the Standards"):** These define what a project or investment must demonstrate to qualify as peace-aligned. They cover six areas: parties, project description, context analysis, exclusion criteria, the Peace Plan (Peace Measures and Peace Impact Indicators) and monitoring and reporting. See Part 2 for the full specification.
- **The Finance for Peace Stamp ("Peace Stamp"):** This is the certification mark, issued by the Finance for Peace Standards Committee ("Standards Committee"). It signals to the market that the project has been designed to include Peace Measures that aim to deliver positive peace outcomes and improved risk-adjusted financial returns. See Part 3 for the certification process.

Finance for Peace CERTIFIED

THE PEACE STAMP

The following table summarises how the two tools fit together across the investment lifecycle:

Stage	What the Project Owner Has to Do	Who Reviews or Decides	Key Output
Pre-Issuance Design	Prepare and complete the application: appoint parties, analyse conflict risks, design Peace Measures, set Peace Impact Indicators.	Project Owner & Peace Expert review and apply.	Peace-Aligned Investment Framework.
Certification	Submit the application to the Standards Committee with all supporting documentation.	Final decision by the Standards Committee.	Peace Stamp – publicly documented certification.
Post-Issuance Monitoring	Monitor Peace Measures, collect data on Peace Impact Indicators, publish the Annual Peace Impact Report.	Independent Verifier conducts annual review.	Peace Stamp renewal or corrective action as required by the Standards Committee.

PART 2

The Finance for Peace Standards

The Standards define what a project must do to be considered peace-aligned and to receive a Finance for Peace Stamp.

The Standards comprise six sections:

- Description of the parties
- Description of the project
- Context analysis
- Exclusion criteria
- Peace Plan
- Monitoring and reporting

Each section of the Standards corresponds to a section of the application form for the Peace Stamp, as explained in Part 3 and Appendix 1.

2.1 Parties

A peace-aligned project involves three key parties.

Party	Role & Responsibilities
Project Owner	The entity ultimately responsible for the project and its management (or appointing a manager), and for raising funds (or appointing agents to do so). For bonds, the Project Owner can be the Issuer or another entity. For equity, it is the company issuing the stock. In either case, the Project Owner is accountable for implementing the Peace Measures, monitoring and reporting.
Peace Expert[4]	Brings specialist knowledge in conflict analysis, community engagement and peacebuilding methodology. Can be an external organisation (e.g. a peacebuilding NGO or consultancy) or an internal team. The Peace Expert will help design the Peace Measures and advise on the resources needed to carry out these activities.
Independent Verifier[5]	Receives monitoring information and conducts annual reviews post-issuance. In most cases, this will be the independent auditor appointed by the Project Owner.

4 Must be accepted by Finance for Peace. See the Terms of Reference in Appendix 2.
5 Must be accepted by Finance for Peace. See the Terms of Reference in Appendix 3.

Practical Example

A renewable energy company ("Project Owner") plans to build a 200 MW solar farm in the conflict-affected region of a country. It appoints a peacebuilding organisation ("Peace Expert") with deep community networks in the region to help design and implement the Peace Measures. The Project Owner's independent audit firm ("Independent Verifier") is engaged to review the monitoring information and provide ongoing assurance about alignment with the Standards.

The Project Owner and Peace Expert will work together to provide the input and activities covered by the rest of Part 2.

2.2 Project Description

This section describes what the project is. It focuses on how the project is implemented, not on the nature of the underlying investment. The purpose of the description is to confirm that the project does not fall under any exclusion criteria and to provide sufficient context for the conflict-risk analysis.

The project description should cover:

- **Location:** The country and region.
- **Nature of Project:** Description confirming that no exclusion criteria are relevant (see 2.4 below).
- **Goals & Objectives:** The desired outcomes of the project.
- **Economic Purpose:** Expected economic impact on the target community and broader society.
- **Business Plan:** Big-picture plan including financial analysis and projected returns.
- **Financial Instruments**: How the project will be financed (e.g. bond, loan, equity, blended structure).

2.3 Context Analysis

The context analysis is the conflict-risk equivalent of an environmental impact assessment. It should ensure that the project team understands the local drivers and dynamics as well as the actors that could affect or be affected by the project. The context analysis comprises an assessment of the conflict risks, a stakeholder map and engagement plan, and the identification of project-relevant peace dimensions.

2.3.1 Conflict Risk Assessment

The context analysis provides an understanding of local conflict drivers and dynamics, including grievances, power structures and social tensions. Together with the stakeholder map (see 2.3.2), it also addresses the key actors, including, in some cases, armed parties to the conflict. It identifies specific conflict risks that may interact with the investment and that the investment should aim to reduce. This includes the links a project may have with the key actors, directly or through its value chain. These risks, often linked to inequality, exclusion, historical grievances and governance failures, are typically underestimated or ignored by conventional financial due diligence.

Examples of conflict risks that the assessment should consider, and their implications for an investment, are set out in the table below.

Risk Category	Description	Example & Investment Implication
Land & Resource Disputes	Competing claims over land, water or natural resources that the project will use or affect. Historical dispossession, overlapping customary and statutory land rights or poorly documented ownership.	A mining project in a conflict-affected country faces community blockades after displacing farmers without adequate consultation. Construction halts for six months, adding 15% to project costs. **Peace Measure:** establish a community land-use committee and formalise compensation agreements before ground-breaking.
Exclusion & Inequality	The project benefits some groups while excluding others – whether by ethnicity, gender, geography or economic status. Employment, procurement and revenue-sharing arrangements that are perceived as unfair.	An infrastructure project in a sub-national conflict-affected region hires workers exclusively from one ethnic group, fuelling resentment and protest. **Peace Measure:** implement transparent, quota-based hiring that reflects community demographics, with independent oversight.
Governance & Corruption	Weak institutional oversight, elite capture of project benefits or lack of regulatory enforcement. Payments to government intermediaries that bypass communities.	A public-private partnership is undermined when local officials divert community compensation funds. Investors face legal action and reputational damage. **Peace Measure:** ring-fence community funds with independent escrow and publish all payment flows.
Security & Violence	Active or latent armed conflict, criminal violence or intercommunal tensions that could affect the project area. Use of private or state security forces around project sites.	A transport corridor project passes through territory contested by armed groups. Supply routes are disrupted and insurance premiums spike. **Peace Measure:** community liaison officers, adherence to the Voluntary Principles on Security and Human Rights, local conflict early-warning systems.
Environmental & Livelihood Impacts	Pollution, deforestation, water depletion or disruption to traditional livelihoods (fishing, farming, pastoralism) caused by the project. Environmental degradation that triggers or worsens social conflict.	A dam project floods grazing land used by pastoralist communities, triggering downstream clashes with settled farmers. **Peace Measure:** environmental and social impact assessment with community validation, alternative livelihood programme, water-sharing agreements.
Political & Regulatory Factors	Changes in government, policy reversals, expropriation, sanctions or loss of operating licences due to political instability or elections.	A concession agreement is voided after a change of government, with new authorities citing lack of community consent. **Peace Measure:** ensure broad-based stakeholder support that survives political transitions; document community consent processes to international standards.

Risk Category	Description	Example & Investment Implication
Community Tensions	Pre-existing social divisions – ethnic, religious, generational or economic – that the project could inflame, either by creating competition for benefits or by altering local power dynamics.	A large-scale agricultural project in a multi-ethnic border region triggers competition between communities for jobs and access to irrigated land. **Peace Measure:** multi-stakeholder dialogue platform, equitable employment policies, community monitoring committee with representation from all groups.

2.3.2 Stakeholder Map and Engagement Plan

The stakeholder map identifies relevant stakeholders and their relationship to the project. The map typically includes:

- The target community: local councils, religious leaders, community organisations, women's and youth groups.
- Industry actors: trade unions, local contractors, supply-chain partners.
- Government: local and national officials, regulatory bodies, aid agencies.
- The project team: Project Owner, Peace Expert, Independent Verifier and implementing contractors.
- Indirect stakeholders: individuals or communities not directly involved but affected by the project.

The stakeholder map guides the development of a stakeholder engagement plan, which outlines the planned consultations with relevant stakeholders. The stakeholder engagement plan will ensure inclusive and open engagement – with particular attention to women, youth and marginalised groups.[6] These dialogues feed directly into the design of Peace Measures and Peace Impact Indicators.

2.3.3 Peace Dimensions

The peace dimensions that the project aims to influence are identified on the basis of the context analysis and stakeholder engagement. Examples include:

Peace Dimension	Focus Area	Example Impact
Safety & Security	Collective and intercommunal violence	Reduced incidence of community conflict around project site
Social Peace	Equitable access to resources, services and income	Fair local hiring practices and benefit-sharing agreements
Political Peace	Transboundary and governance relations	Improved coordination between local authorities and national government on project oversight

6 The stakeholder engagement plan should also be informed by relevant aspects of human rights due diligence or heightened human rights due diligence, and should provide for grievance and remedy mechanisms.

2.4 Exclusion Criteria

A project must be lawful under national and international law to qualify for a Finance for Peace Stamp. It will be ineligible for a Peace Stamp if it involves any of the following:

- Manufacture, trade or financing of weapons, ammunition or military equipment.
- Direct financing of armed groups, terrorism or violent actors.
- Serious human rights violations or the use of private security[7] arrangements that involve, or have a documented history of, human rights abuses.
- Revenue sharing, dividends or ownership by any party to a conflict.
- Activities that would foreseeably exacerbate existing tensions between communities, ethnic groups or political factions, or undermine legitimate local authorities or governance structures.

2.5 Peace Plan: Peace Measures & Peace Impact Indicators

The Peace Plan is the core of the Standards. It specifies the concrete actions (Peace Measures) that the project will take to reduce conflict risks, and the metrics used to track their effectiveness.

2.5.1 Peace Measures

Peace Measures draw on decades of conflict prevention and peacebuilding theory and practice, and are defined for the purposes of the Standards as measures that reduce conflict risks and help build the conditions for peace, including by strengthening communities' resilience, with attention to the inclusion of women.

Peace Measures are developed by the Peace Expert on the basis of the context analysis and are bespoke to each project.

Examples of Peace Measures include:

Peace Measure Type	Example Activities
Community Dialogue & Consultation	Regular town halls, community liaison officers, mediation platforms for grievances, feedback mechanisms.
Inclusive Employment & Benefit-Sharing	Transparent local hiring quotas, skills training for community members, revenue-sharing agreements, local procurement policies.
Governance & Transparency	Published project budgets, anti-corruption safeguards, independent oversight committees, open reporting on environmental and social impacts.
Conflict Prevention & Resolution	Early-warning systems, community security liaison, mediation of land disputes, support for local justice mechanisms.
Institutional Capacity Building	Technical assistance to local authorities, strengthening regulatory capacity, supporting community governance structures.

7 These are also likely to be covered by other legal frameworks, e.g. the UK Modern Slavery Act, the Palermo Protocol, the ILO fundamental conventions, the US Foreign Corrupt Practices Act (FCPA), the UN Convention against Corruption (UNCAC) and relevant sanctions regimes. See also the requirement above that the project must be lawful.

For each Peace Measure, the following information must be provided:

- **Background:** Publicly available information on the conflict risk being addressed and potential solutions.
- **Description:** A detailed, concrete description of the activity – who does what, where and when.
- **Risk-Reduction Mechanism:** The causal logic of how this measure is expected to reduce the identified conflict risk and therefore the project's overall risk profile.
- **Risk Management:** How risks to the Peace Measure itself will be managed (e.g. what happens if community engagement is blocked by local authorities?).
- **Budget & Resources:** The financial allocation and timeline.

2.5.2 Peace Impact Indicators

For each Peace Measure, one or more Peace Impact Indicators are identified by the Peace Expert. The indicators track whether the Peace Measures are effective.[8]

For each indicator, the following is required:

- A clear description of what is being measured.
- The data collection methodology (surveys, monitoring systems, third-party assessments).
- Baseline values and targets.
- Reporting frequency.

The following Peace Impact Indicators are illustrative examples linked to the examples of Peace Measures in the previous section:

Peace Measure Type	Indicator	What It Measures	Data Source
Community Dialogue & Consultation	Community trust level	Perception of the project among local communities (positive/neutral/negative)	Annual survey, focus groups
Inclusive Employment & Benefit-Sharing	Local employment share	% of project workforce recruited from affected communities	HR records, independent audit
Governance & Transparency	Financial reporting compliance rate	% of quarterly financial reports published on schedule and independently reconciled	Escrow account statements, independent audit
Conflict Prevention & Resolution	Incident frequency	Number of security incidents, protests or disruptions per quarter	Security logs, ACLED data, community reports
	Grievance resolution rate	% of community complaints acknowledged within 14 days and resolved within 60 days	Grievance mechanism records

8 The indicators are comparable to the impact metrics required under the ICMA Harmonised Framework for Impact Reporting.

Peace Measure Type	Indicator	What It Measures	Data Source
Institutional Capacity Building	Stakeholder participation	Number and diversity of participants in consultation and dialogue events	Attendance records, demographic data

Well-designed Peace Impact Indicators create a feedback loop that strengthens the project over time – and they give investors a credible basis for assessing the effectiveness of the conflict-risk management strategy.

2.6 Monitoring & Reporting

Ongoing monitoring and reporting are required to ensure that all the steps needed for peace alignment are followed, in particular that the Peace Plan is implemented and effective. This is the basis for maintaining the certification.

2.6.1 Monitoring Responsibilities

The application must clearly assign monitoring responsibilities. These typically rest with the Project Owner, supported by the Peace Expert. The monitoring information is also shared with the Independent Verifier. The monitoring framework should cover:

- **Implementation tracking:** Are the Peace Measures being implemented as planned?
- **Data collection:** How will Peace Impact Indicator data be gathered, stored and analysed?
- **Independent review:** The Independent Verifier conducts annual assessments.
- **Complaints mechanism:** A formal, accessible channel for stakeholders to raise concerns or provide feedback. This should be independent of the Project Owner.

2.6.2 Reporting Requirements

The Annual Peace Impact Report must include:

- Performance against each Peace Impact Indicator, with data and commentary.
- Status of Peace Measure implementation.
- Summary of stakeholder engagement activities and feedback.
- Any material changes to conflict dynamics in the project area.
- Challenges encountered, lessons learned and corrective actions taken.
- Sign-off by the Project Owner and Peace Expert.

The report must be verified by the Independent Verifier and shared with investors and stakeholders.

2.6.3 Management Report

If the Independent Verifier believes that there are improvements the Project Owner should address ahead of any future verification, the Independent Verifier can consider sending a Management Report to the Project Owner, the Peace Expert and Finance for Peace. This report will not be published in the Annual Peace Impact Report. However, the subsequent verification should include information about the issues and to what extent they have been addressed.

PART 3

The Certification Process

The Finance for Peace Stamp (“Peace Stamp”) is the independent mark of assurance confirming that a project meets the Standards. It is a signal to the market that the investment has been independently assessed for quality and integrity.

3.1 Application

3.1.1 Application Format

The application should be submitted as a structured document following the Application Form in Appendix 1. It must be accompanied by all supporting documentation (e.g. stakeholder engagement records, conflict analysis and financial projections).

A narrative format is preferred: clear, concise and focused on demonstrating alignment with the Standards. Avoid jargon. Write for an audience that will make certification and investment decisions.

3.1.2 Sign-Off

The application must be signed jointly by the Project Owner and Peace Expert.

3.2 Standards Committee Review

The Standards Committee reviews each application against the Standards. The review covers:

- **Alignment:** Does the application meet all six sections of the Standards? Is the conflict-risk analysis credible? Are the Peace Measures concrete, adequately resourced and clearly linked to the identified risks?
- **Quality of Support:** Does the Peace Expert have the appropriate experience?[9]
- **Follow-Up:** If the application is not yet ready, the Standards Committee provides specific feedback on what needs to be strengthened. Applicants can resubmit.

If approved, the project receives the Peace Stamp. A summary of the application is made public to ensure transparency.

3.3 Maintaining the Certification

Certification is not a one-off event. It requires ongoing compliance. The key elements are:

9 See Appendix 2.

3.3.1 Annual Review Cycle

The Independent Verifier conducts an annual review covering:

- Whether the Project Owner and Peace Expert continue to deliver against the plans set out in the application.
- Any changes to Peace Measures or Peace Impact Indicators and the rationale for those changes.
- Whether the independent complaints mechanism is in place and functioning.

3.3.2 Stakeholder Feedback

Community and beneficiary feedback gathered through the complaints mechanism is reviewed as part of the annual cycle. This feedback drives project adjustments and is reported to investors.

3.3.3 Renewal and Withdrawal

The Peace Stamp is renewed annually by the Standards Committee based on the annual review. The decision framework is:

Scenario	Outcome
Standards met	Peace Stamp renewed. Public confirmation issued.
Adjustments needed	Standards Committee provides specific remediation requirements with a defined timeframe. If resolved, the Peace Stamp is retained. If not, the Peace Stamp is withdrawn.
Major non-compliance	Corrective actions required within a set timeframe. Failure to comply leads to withdrawal of the Peace Stamp. Investors are notified.

What Withdrawal Means

If a Peace Stamp is withdrawn, it signals that the project's conflict-risk management no longer meets the required standard and that the risk profile of the investment may have increased.

Transparency is a core principle: all decisions on renewal, remediation and withdrawal are documented and disclosed.

APPENDIX 1

Application Form for a Finance for Peace Stamp and Completed Example

The following form should be completed as part of the application. Each section corresponds to a section of the Standards set out in Part 2. Use clear, investor-oriented language. Attach supporting documents as needed.

Finance for Peace Certification Application Form

1. Parties to the Application

1.1 Project Owner

Name	
Address	
Contact (Tel / Email)	

1.2 Peace Expert

Name	
Address	
Contact (Tel / Email)	

1.3 Independent Verifier

Name	
Address	
Contact (Tel / Email)	

2. Project Description

Project Name	
2.1 Location	
2.2 Nature of Project (Potential Exclusion)	
2.3 Goals & Objectives	
2.4 Economic Purpose	
2.5 Business Plan	
2.6 Financial Instruments	

3. Context Analysis

3.1 Analysis of the Environment

3.2 Stakeholder Map

Stakeholder Examples	Role	Relevance	Contribution	Impact	Notes
Target Community					
Industry Actors					
Government					
Project Team					
Indirect Stakeholders					

3.3 Stakeholder Engagement

Stakeholder Examples	Consultation	Feedback	Interaction	Documentation
Target Community				
Industry Actors				
Government				
Project Team				
Indirect Stakeholders				

3.4 Peace Dimensions

Peace Dimension Examples	Focus Area	Impact
Safety & Security		
Social Peace		
Political Peace		

3.5 Conflict Risks

Risk Examples	Description	Parties	Cause	Solutions	Notes
Land & Resource Disputes					
Exclusion & Inequality					
Governance & Corruption					
Security & Violence					
Environmental & Livelihood Impacts					
Political & Regulatory Risk					
Community Tensions					

4. Peace Plan

4.1 Peace Measures

Peace Measures	Activity	Parties & Roles	Budget & Timeline	Risk Reduction Impact	Docs	Notes

4.2 Peace Impact Indicators

Peace Measures	Peace Impact Indicator	Evaluation Criteria	Benchmark	Data Collection	Notes

5. Monitoring & Reporting

5.1 Monitoring

Activity	Responsibility	Implementation	Data Collection	Feedback	Notes

Complaints Mechanism

Mechanism	Set-Up	Feedback	Follow-Ups	Notes

5.2 Annual Peace Impact Report[10]

The Annual Peace Impact Report is published within 120 days of each year-end. It must be co-signed by the Project Owner and the Peace Expert, and independently verified by the Independent Verifier before publication. The report is shared with all identified investors and published on the project's public disclosure platform.

10 This should be a succinct report covering the key points over a few pages.

Report section	Responsible party
Performance against each Peace Impact Indicator, with data and commentary	Project Owner, with data supplied by Peace Expert
Status of Peace Measure implementation (on track / delayed / completed)	Peace Expert
Summary of stakeholder engagement activities and community feedback	Peace Expert
Changes to conflict dynamics in the project area since the last report	Peace Expert
Challenges encountered, lessons learned and corrective actions taken	Project Owner and Peace Expert jointly
Independent Verification Statement	Independent Verifier
Sign-off	Project Owner and Peace Expert (co-signatories)

Application Sign-Off

Signatory	Name	Signature
Project Owner		
Peace Expert		

Finance for Peace Certification Application Form: Solar Farm Peace Bond Example

1. Parties to the Application

1.1 Project Owner

Name	[Name, Title – Project Owner]
Address	[Address – Project Owner]
Contact (Tel / Email)	[Contact – Project Owner]

1.2 Peace Expert

Name	[Name, Title – Peace Expert Organisation]
Address	[Address – Peace Expert Organisation]
Contact (Tel / Email)	[Contact – Peace Expert Organisation]

1.3 Independent Verifier

Name	[Name, Title – Independent Verifier]
Address	[Address – Independent Verifier]
Contact (Tel / Email)	[Contact – Independent Verifier]

2. Project Description

Project Name	Solar Farm – Peace Bond
2.1 Location	Remote highland region with a history of intercommunal land conflict and limited state presence.
2.2 Nature of Project (Potential Exclusion)	Confirmed: no weapons, no forced displacement, no extractive activity without consent. All land agreements voluntary. Free, prior and informed consent (FPIC) process completed and independently audited.

2.3 Goals & Objectives	Develop a 120 MW solar PV facility to supply clean electricity to approximately 250,000 households. Secondary goals: create local employment, support economic recovery in a post-conflict area and contribute to national renewable energy targets.
2.4 Economic Purpose	Estimated 400 construction jobs and 150 permanent operational roles, prioritised for local communities. Projected annual revenue contribution to the local economy: USD 15 million. Local procurement target: 30% of goods and services.
2.5 Business Plan	Total project cost: USD 150 million. Structure: USD 70 million peace/green bond; USD 50 million DFI senior loan; USD 30 million sponsor equity. Peace Measures budget: USD 2.25 million (1.5% of total). Revenue secured under a 20-year Power Purchase Agreement with the national utility.
2.6 Financial Instruments	USD 70 million listed bond, dual-labelled under the ICMA Green Bond Principles and the Finance for Peace Standards. Target investors: DFIs, impact funds, institutional green bond investors.

3. Context Analysis

3.1 Analysis of the Environment

The project area has a history of intercommunal land disputes between farming and pastoralist communities, exacerbated by weak local governance and competition over water resources. A low-level armed conflict ended five years ago but underlying grievances remain unresolved. Youth unemployment is high. Trust in outside investors is low following a previous infrastructure project that excluded local communities from employment and benefits.

Key conflict drivers: land tenure insecurity; inequitable distribution of economic benefits; marginalisation of minority ethnic groups; limited access to formal dispute resolution. Data sources: national conflict tracking database, World Bank governance indicators, in-country assessment by the Peace Expert.

3.2 Stakeholder Map

Stakeholder Examples	Role	Relevance	Contribution	Impact	Notes
Local government (district council)	Land-use authority; community liaison; permitting	High – can facilitate or block land access and community engagement	Co-chair Community Liaison Committee; sign land-use MoU	Benefits from increased tax revenue and local infrastructure	Formal engagement required before construction start
Affected farming households (approx. 60 families on or near project land)	Primary affected community; direct landholders	Critical – project cannot proceed without community consent and land agreements	FPIC process; join grievance mechanism; eligible for employment and compensation	Most directly impacted – livelihoods, land access, employment	Women-headed households require separate consultation track

Stakeholder Examples	Role	Relevance	Contribution	Impact	Notes
National utility (power off-taker)	Counterparty to Power Purchase Agreement (PPA); regulatory interface	High – PPA underpins project revenues; utility legitimises project with government	Execute PPA; coordinate grid connection; provide approvals	Indirect beneficiary – increased national generation capacity	Standard commercial relationship; no conflict-risk concerns identified
Youth and women's community associations	Civil society groups representing marginalised populations	Medium-high – exclusion of youth and women from benefits is a key conflict risk	Advise on hiring and training; flag grievances; join Community Liaison Committee	Direct beneficiaries of employment quota and skills training programme	Engagement facilitated by Peace Expert from project inception
Pastoralist community leaders	Represent communities using land adjacent to project site for grazing	Medium – historical tension with farming communities; risk of exclusion from benefits	Attend multi-stakeholder dialogue forums; input to land boundary agreements	Moderate positive if grazing corridor rights are formally recognised	Requires dedicated engagement track given history of marginalisation

3.3 Stakeholder Engagement

Stakeholder Examples	Consultation	Feedback	Interaction	Documentation
District council	3 formal meetings prior to application; quarterly meetings planned post-issuance	Requested: local procurement targets, road access upgrades, ring-fenced community fund	Collaborative – co-designed Community Liaison Committee terms of reference	Meeting minutes; signed land-use MoU (attached)
Affected farming households	Individual household visits; group FPIC assembly; ongoing quarterly forums planned	Key concerns: fair compensation, water access during construction, job priority for household members	Initial resistance from some households; resolved through mediation by Peace Expert	Signed FPIC consent forms; compensation framework (attached)
Youth and women's associations	2 co-design workshops on skills training and hiring criteria	Requested transparent hiring process with public postings and a dedicated youth quota	Highly engaged – nominated 2 representatives to Community Liaison Committee	Workshop notes; draft skills training MoU (attached)
Pastoralist community leaders	1 introductory meeting; 1 grazing corridor mapping session with Peace Expert as facilitator	Requested formal recognition of grazing rights on project perimeter land	Cautious – trust built through Peace Expert's existing community relationships	Meeting notes; draft grazing corridor agreement (to be finalised)
Environmental authority	ESIA review and site inspection; certificate issued	Required enhanced runoff mitigation measures – incorporated into construction plan	Regulatory – no conflict-risk concerns; authority satisfied with ESIA	ESIA certificate; correspondence file (attached)

3.4 Peace Dimensions

Peace Dimension Examples	Focus Area	Impact
Safety & Security	Collective and intercommunal violence	Reduce intercommunal friction around project site through clear land boundary agreements, a grazing corridor and a community security liaison programme.
Social Peace	Equitable access to resources, services and income	Equitable access to employment, compensation and the community fund for all groups, including youth, women and pastoralists.
Political Peace	Sub-national and national governance relations	Strengthen coordination between local authorities and national government through a Joint Oversight Committee; prevent elite capture of community funds through independent escrow.

3.5 Conflict Risks

Risk Examples	Description	Parties	Cause	Solutions	Notes
Land & Resource Disputes	Farming families displaced from land needed for the project; risk of inadequate compensation	Affected households, Project Owner, local land authority	Insecure land tenure; history of investor land grabs; low community trust	Voluntary FPIC; above-market compensation; livelihood restoration programme	All households signed FPIC; independently audited
Exclusion & Inequality	Jobs and contracts accrue to connected individuals, excluding youth, women and minority groups	Youth groups, women's associations, Project Owner, contractors	High youth unemployment; absence of transparent hiring norms in prior projects	Public job postings; youth and gender hiring quotas; local procurement policy	Quotas monitored by Community Liaison Committee; annual independent HR audit
Governance & Corruption	Community Development Fund captured by local elites or diverted through intermediaries	Local officials, project management, fund committee members	Weak accountability; precedent of elite capture in prior infrastructure projects	Independent escrow; public financial reporting; community co-sign on expenditures	Annual public fund report; Verifier audits escrow annually
Security & Violence	Residual armed group activity or intercommunal clashes disrupt construction or supply routes	Workforce, local communities, contractors	Post-conflict area; underlying grievances unresolved; risk of project being targeted	Community liaison officers (unarmed); early-warning system; Voluntary Principles on Security and Human Rights	No private armed security. All incidents escalated via community liaison channel.

Risk Examples	Description	Parties	Cause	Solutions	Notes
Environmental & Livelihood Impacts	Construction disrupts water sources or grazing land relied on by pastoral communities	Pastoralist communities, downstream farmers, environmental authority	Site drainage affects shared water sources; construction noise disrupts grazing patterns	Water quality monitoring; grazing corridor agreement; engineered runoff management	ESIA mitigation plan audited by environmental authority
Political & Regulatory Risk	Concession agreement voided following a change of government; new administration disputes the licence on grounds of insufficient community consent	Project Owner, national government, regulatory authority, community leaders	Weak community consent process under prior government; politically contested concession; upcoming elections	Broad-based stakeholder engagement documented to international standards; community consent verified independently; multi-party oversight committee	Consent record publicly filed; engagement scope survives change of government
Community Tensions	Pre-existing divisions between farming and pastoralist communities inflamed by competition for project jobs and land access	Farming households, pastoralists, youth groups, religious leaders	Historical land grievances; competition for scarce economic opportunities; no existing cross-community dialogue forum	Multi-stakeholder dialogue platform; Peace Expert facilitation; inter-community mediation drawing on religious leader networks	Peace Expert has existing trust with both farming and pastoral communities

4. Peace Plan

4.1 Peace Measures (PMs)

PMs	Activity	Parties & Roles	Budget & Timeline	Risk Reduction Impact	Docs	Notes
1	Land compensation and livelihood restoration: fair compensation for all affected households, 3-year livelihood support programme	Project Owner funds; Peace Expert implements; land authority witnesses; Verifier audits	Approx. USD 700,000 (Year 1: compensation; Years 2–4: livelihood programme)	Removes primary land dispute risk; prevents community opposition during construction	FPIC agreements; compensation framework	Livelihood programme co-designed with community associations

PMs	Activity	Parties & Roles	Budget & Timeline	Risk Reduction Impact	Docs	Notes
2	Inclusive employment and procurement: public job postings, youth and gender hiring quotas, local procurement requirement, pre-construction skills training	Project Owner sets policy; community associations advise; contractor implements; Community Liaison Committee monitors	Approx. USD 380,000 (training: USD 180,000; monitoring: USD 200,000); Years 1–7	Reduces exclusion risk; builds community ownership; pre-empts grievances over job distribution	Skills training MoU; hiring policy	Annual independent HR audit; disaggregated employment data in Annual Peace Impact Report
3	Governance and environmental transparency: independent community fund escrow, quarterly public financial reporting, surface water management, downstream water quality monitoring	Project Owner funds; independent bank manages escrow; Verifier audits; environmental authority monitors water quality	Approx. USD 600,000 (escrow set-up; community fund annual disbursements; water monitoring over project life)	Prevents elite capture; maintains trust; ensures environmental compliance	Escrow trust deed; environmental mitigation plan	Community fund priorities set annually by Community Liaison Committee vote
4	Community security liaison: unarmed community liaison officers, conflict early-warning system, supply route risk assessment, adherence to the Voluntary Principles on Security and Human Rights	Project Owner funds; Peace Expert trains liaison officers; no private armed security used	Approx. USD 280,000 (liaison officer salaries and training; early-warning system; Years 1–4)	Reduces security and violence risk; prevents project exacerbating tensions with security forces	Liaison officer training programme; security risk assessment	Liaison officers are unarmed community members, not private security contractors
5	Multi-stakeholder dialogue platform: quarterly open forums, inter-community peace dialogues facilitated by Peace Expert, independent grievance mechanism with community ombudsman	Peace Expert facilitates; Project Owner funds; religious leaders and elders co-facilitate; Verifier reviews mechanism annually	Approx. USD 290,000 (facilitation; grievance mechanism; Years 1–4)	Addresses intercommunal tension; structured channel for grievances before they escalate	Dialogue terms of reference; grievance protocol	Forums minuted; attendance disaggregated by gender and community group

4.2 Peace Impact Indicators

Peace Measures	Peace Impact Indicator	Evaluation Criteria	Benchmark	Data Collection	Notes
PM 1: Land compensation and livelihood restoration	Community Trust Index	% of surveyed community members rating project as positive or neutral. Target: ≥70% by Year 1; ≥80% by Year 3.	Baseline survey at project inception (disaggregated by group, gender, age)	Annual household survey; focus groups with women and youth; Peace Expert analysis	Results disaggregated by gender, age and community group
PM 2: Inclusive employment and procurement	Local Employment Share	% of workforce from affected communities. Target: ≥40% construction; ≥60% operations.	Baseline: 0 (pre-construction). First measurement six months after construction start.	Monthly HR records; annual independent audit; disaggregated by gender and age	Skills training enrolment tracked separately
PM 3: Governance and environmental transparency	Financial Transparency & Environmental Compliance Index	% of quarterly community fund financial reports published on schedule and reconciled by independent bank; % of downstream water quality samples within agreed regulatory thresholds	Baseline: 0 (no prior public reporting). Target: 100% of quarterly reports published on time from Year 1; ≥95% of water samples within threshold each year.	Quarterly escrow account statements reconciled by independent bank; environmental authority water quality sampling reports; annual Verifier audit of both	Missed reporting deadline or water quality breach triggers escalation to Community Liaison Committee and Standards Committee
PM 4: Community security liaison	Conflict Incident Frequency	Number of security incidents or work stoppages per quarter linked to project-related grievances. Target: 0 work stoppages; ≤2 minor incidents per quarter.	Baseline: number of conflict incidents in project area in 12 months prior to application (from conflict tracking database)	Community liaison officer logs; conflict database cross-check; Community Liaison Committee minutes; annual Verifier review	Any incident involving violence or work stoppage triggers immediate escalation to Standards Committee
PM 5: Multi-stakeholder dialogue platform	Grievance Resolution Rate	% of grievances acknowledged within 14 days and resolved within 60 days. Target: ≥85% acknowledgement; ≥70% resolution by Year 2.	Baseline: 0 (mechanism not yet operational at application stage)	Grievance register maintained by independent ombudsman; quarterly reports to Community Liaison Committee	Unresolved cases (>60 days) escalated to Standards Committee
	Community Trust Index	See PM 1 above	See PM 1 above	See PM 1 above	See PM 1 above
	Conflict Incident Frequency	See PM 4 above	See PM 4 above	See PM 4 above	See PM 4 above

5. Monitoring & Reporting

5.1 Monitoring

Activity	Responsibility	Implementation	Data Collection	Feedback	Notes
Peace Measures implementation tracking	Project Owner (lead); Peace Expert (field); Verifier (annual audit)	Monthly progress reports from Peace Expert to Project Owner; quarterly summary to Community Liaison Committee; annual consolidated report for Verifier review	Peace Expert logs; contractor HR records; escrow disbursement records	Community Liaison Committee reviews quarterly; findings in Annual Peace Impact Report	PM falling >10% behind schedule triggers corrective action plan within 30 days
Peace Impact Indicator (PII) data collection and analysis	Peace Expert (data collection); Project Owner (analysis); Verifier (independent review)	Surveys every six months; grievance data continuously; HR data monthly	Survey data in secure project database; HR records held by contractor with Verifier read access	Preliminary PII results shared with Community Liaison Committee before Annual Peace Impact Report	Baseline data collected at application stage
Independent review	Independent Verifier (independent of Project Owner)	Annual site visit; document review; separate community focus groups (independent of Peace Expert sessions)	Verifier issues Independent Verification Statement annually; findings shared with Standards Committee for Stamp renewal	Verifier findings published alongside Annual Peace Impact Report; material concerns escalated immediately	Verifier engagement letter; verification scope agreed with Standards Committee
Conflict context monitoring	Peace Expert (primary); Project Owner (review); community liaison officers (field)	Peace Expert produces quarterly conflict context update; escalates material changes to Project Owner and Verifier within five days	Conflict tracking database; liaison officer incident logs; Community Liaison Committee minutes	Quarterly update shared with Community Liaison Committee; major changes communicated to investors	Significant deterioration in conflict context triggers review of Peace Measures within 60 days

Complaints Mechanism: Independent Community Ombudsman

Mechanism	Set-Up	Feedback	Follow-Ups	Notes
Appointed from civil society; accessible via phone, SMS, in-person drop-in and anonymous suggestion boxes at community points	Complaints logged within 24 hours; acknowledgement within 14 days; resolution within 60 days; appeal available to Community Liaison Committee	Quarterly grievance report to Community Liaison Committee and Project Owner; unresolved cases escalated to Standards Committee; patterns reported in Annual Peace Impact Report	Mechanism independent of Project Owner. Ombudsman has no financial relationship with project company.	Ombudsman terms of reference attached. Mechanism operational before construction start.

5.2 Annual Peace Impact Report[11]

The Annual Peace Impact Report is published within 120 days of each year-end. It must be co-signed by the Project Owner and the Peace Expert, and independently verified by the Independent Verifier before publication. The report is shared with all identified investors and published on the project's public disclosure platform.

Report section	Responsible party
Performance against each Peace Impact Indicator, with data and commentary	Project Owner, with data supplied by Peace Expert
Status of Peace Measure implementation (on track / delayed / completed)	Peace Expert
Summary of stakeholder engagement activities and community feedback	Peace Expert
Changes to conflict dynamics in the project area since the last report	Peace Expert
Challenges encountered, lessons learned and corrective actions taken	Project Owner and Peace Expert jointly
Independent Verification Statement	Independent Verifier
Sign-off	Project Owner and Peace Expert (co-signatories)

Application Sign-Off

Signatory	Name	Signature
Project Owner	[Name, Title – Project Owner]	
Peace Expert	[Name, Title – Peace Expert Organisation]	

11 This should be a succinct report covering the key points over a few pages.

APPENDIX 2

Terms of Reference for Peace Expert

TERMS OF REFERENCE · PEACE EXPERT

Position	Peace Expert
Reports to	Project Owner / Finance for Peace Standards Committee
Engagement type	Consultancy
Duration	Project lifecycle (pre-issuance through annual review cycles)
Location	In-country and/or remote, as required by the project

1 Background and Purpose

Finance for Peace is an organisation committed to building a global market for peace-aligned investments through rigorous standards and independent certification. The Finance for Peace Standards require every certified investment project to appoint a Peace Expert – a specialist with demonstrated expertise in conflict analysis, community engagement and peacebuilding methodology.

The Peace Expert plays a central role in the Finance for Peace Standards framework. Together with the Project Owner and Independent Verifier, the Peace Expert helps design and oversee the Peace Measures that form the core of any peace-aligned investment. The Peace Expert's assessment and sign-off are required both at the application stage and in the Annual Peace Impact Report, and their qualifications are subject to acceptance by Finance for Peace. The choice and approval of Peace Experts should take account of the benefit of maximising the involvement of women peacemakers.

2 Scope of Work

The Peace Expert will be responsible for the following activities throughout the investment lifecycle:

Pre-Issuance (Application Stage)

- Lead or co-lead the conflict context analysis, drawing on in-country expertise, primary stakeholder engagement and recognised data sources (e.g. ACLED, Fragile States Index, World Bank governance indicators).
- Develop a comprehensive stakeholder map identifying all relevant actors – including community organisations, local authorities, women's and youth groups, and marginalised populations – and their relationship to the project.
- Design and facilitate inclusive stakeholder engagement processes, ensuring meaningful consultation with affected communities and documenting evidence of participation.

- Identify and assess conflict risks across all relevant categories – including land and resource disputes, exclusion and inequality, governance and corruption, security and violence, environmental and livelihood impacts, political and regulatory factors and community tensions.
- Design concrete Peace Measures aligned to identified conflict risks, specifying activities, responsible parties, budgets, timelines and risk-reduction logic.
- Define Peace Impact Indicators (PIIs) with clear baselines, targets, data collection methods and reporting frequencies.
- Co-sign the Finance for Peace application with the Project Owner.

Post-Issuance (Implementation and Monitoring)

- Support the Project Owner in implementing Peace Measures, providing technical guidance and quality assurance throughout the project lifecycle.
- Facilitate ongoing community engagement and ensure the stakeholder feedback mechanism remains functional and accessible.
- Monitor implementation of Peace Measures against agreed timelines and budgets, flagging material deviations.
- Contribute to the Annual Peace Impact Report, providing analysis of PII performance, stakeholder engagement findings and any changes to the conflict context.
- Co-sign the Annual Peace Impact Report and engage constructively with the Independent Verifier during annual reviews.

3 Required Qualifications and Experience

Essential

- Qualification in conflict studies, peace and security, international development, political science or a related field.
- A minimum of ten years of field experience working in conflict-affected contexts, including direct engagement with communities in fragile or post-conflict environments.
- Demonstrated experience in conflict analysis and stakeholder mapping, including the use of established frameworks and methodologies (e.g. Do No Harm, OECD DAC fragility framework).
- Proven track record in designing and implementing community engagement strategies, with evidence of inclusive and participatory approaches, particularly involving women, youth and marginalised groups.
- Deep understanding of do-no-harm and conflict-sensitivity principles and their practical application in investment or development programming contexts.
- An extensive, active network of peacebuilders, peace organisations, civil society actors and community leaders relevant to the project geography.
- Prior engagement with internationally recognised peacebuilding organisations – such as UN agencies, specialised international or national NGOs, or comparable institutions – either as a staff member, long-term consultant or implementing partner.
- Demonstrated familiarity with peace impact measurement, including the development of indicators, data collection methodologies and results reporting.
- Fluency in English.

Desirable

- Experience working at the intersection of private sector investment and peacebuilding, including familiarity with responsible business conduct standards (e.g. OECD Guidelines, UN Guiding Principles on Business and Human Rights, Voluntary Principles on Security and Human Rights).

- Familiarity with impact finance instruments such as green bonds, social bonds or blended finance structures.
- Proficiency in the local language(s) of the project area.

4 Institutional Requirements

The Peace Expert may be an external organisation (such as a peacebuilding NGO or specialist consultancy) or an internal team with a dedicated and identifiable lead. In either case:

- The organisation or individual must be accepted by Finance for Peace prior to appointment, in accordance with the Finance for Peace Standards.
- The Peace Expert must be demonstrably independent of the Project Owner in their professional judgement on conflict-risk matters.
- Where the Peace Expert is an organisation, a named individual must be designated as the primary point of contact and signatory.

For further information, please contact Finance for Peace at info@financeforpeace.org.

APPENDIX 3

Terms of Reference for Independent Verifier

TERMS OF REFERENCE · INDEPENDENT VERIFIER

Position	Independent Verifier
Reports to	Finance for Peace Standards Committee
Engagement type	External auditor, assurance provider or specialist consultancy
Duration	Post-issuance through annual review cycles
Location	In-country and/or remote, as required by the project

1 Background and Purpose

Finance for Peace requires every certified project to appoint an Independent Verifier to conduct an annual, independent assessment of whether the project continues to meet the Finance for Peace Standards.

The Independent Verifier plays a critical assurance role in the Finance for Peace Standards framework. Together with the Project Owner and Peace Expert, the Independent Verifier ensures the ongoing credibility of the Peace Stamp. The Independent Verifier's assessment is required in each Annual Peace Impact Report, and their appointment is subject to acceptance by Finance for Peace.

In most cases, the Independent Verifier will be the external auditor already appointed by the Project Owner – for example, an audit or assurance firm – provided that firm is able to demonstrate sufficient familiarity with the Finance for Peace Standards. The Independent Verifier must be operationally and financially independent of the Project Owner and Peace Expert.

2 Scope of Work

The Independent Verifier is responsible for the following:

Pre-Issuance (Application Stage)

- The Independent Verifier must be appointed by the Project Owner and confirm that it has the capabilities required to undertake the annual reviews and that it is operationally and financially independent of the Project Owner and Peace Expert.

Post-Issuance (Annual Review)

- Conduct an annual review of the project's implementation of its Peace Measures, assessing whether activities have been carried out in accordance with the approved plan, timelines and budgets.
- Review and validate the data underlying each Peace Impact Indicator reported in the Annual Peace Impact Report.

- Conduct independent consultations with community stakeholders, separate from those facilitated by the Peace Expert.
- Assess whether the independent complaints mechanism is operational, accessible and functioning as intended.
- Issue an annual Independent Verification Statement for inclusion in the Annual Peace Impact Report.
- Notify Finance for Peace promptly if, outside the annual review cycle, it becomes aware of a material risk to project communities or a significant departure from the approved Peace Measures.

3 Required Qualifications and Experience

Essential

- Professional standing as an independent auditor, assurance provider or specialist consultancy, able to produce verification statements suitable for use in certification decisions.
- Familiarity with the Finance for Peace Standards, or a demonstrable commitment to acquiring that familiarity prior to engagement.
- Experience conducting independent assessments or audits of projects operating in fragile, conflict-affected or high-risk environments.
- Demonstrated capacity to design and conduct independent stakeholder consultations in complex social environments.
- Professional independence from the Project Owner and Peace Expert, with no financial, contractual or advisory relationship that would compromise objectivity.
- Fluency in English.

Desirable

- Understanding of conflict analysis methodologies and peacebuilding frameworks (e.g. Do No Harm, OECD DAC fragility framework, conflict sensitivity principles).
- In-country or regional knowledge relevant to the project context.
- Proficiency in the local language(s) of the project area.

4 Institutional Requirements

- The Independent Verifier must be accepted by Finance for Peace prior to appointment.
- The Independent Verifier must be demonstrably independent of the Project Owner and the Peace Expert in both fact and appearance. Any relationship that could create a conflict of interest requires prior disclosure to, and approval by, Finance for Peace.
- Where the Independent Verifier is a firm, it must designate a named lead verifier as primary signatory on all verification statements, with sufficient seniority to issue findings and escalate concerns on the Independent Verifier's behalf.
- The Independent Verifier must be willing to engage directly with the Finance for Peace Standards Committee as required.

5 Relationship to the Finance for Peace Standards Committee

The Independent Verifier plays a direct role in informing the Standards Committee's decisions on annual renewal. Specifically:

- The annual Independent Verification Statement is a required component of the Annual Peace Impact Report and a primary basis for the Standards Committee's decision on Peace Stamp renewal, remediation requirements or withdrawal.
- The Independent Verifier is expected to exercise professional judgement independently of the Project Owner and Peace Expert. Where findings are contested by the Project Owner, the Independent Verifier should document the disagreement and submit its own assessment to the Standards Committee without amendment.
- The Standards Committee may establish supplementary verification guidelines, templates or reporting formats over time. The Independent Verifier is expected to follow these as published.

6 Deliverables and Timeline

Deliverable	Stage	Output
Management Report (if needed)	Post-issuance	Management Report sent to the Project Owner, Peace Expert and Finance for Peace where issues should be addressed before the next verification
Annual verification of Peace Measures implementation	Post-issuance (annual)	Independent Verification Statement for Annual Peace Impact Report
Annual review of Peace Impact Indicators	Post-issuance (annual)	Data validation report and commentary on PII performance
Annual review of complaints mechanism	Post-issuance (annual)	Assessment of mechanism functionality and independence
Material non-compliance notification	As required	Escalation report to Finance for Peace Standards Committee

For further information, please contact Finance for Peace at info@financeforpeace.org.

Finance for Peace

financeforpeace.org

info@financeforpeace.org