Organisational strategy 2024-2026

Finance for Peace

initiative of



Context

Geo-political & economic

cto

The number of conflicts is growing: according to the United Nations, two billion people, or a quarter of the world's population, now live in fragile and conflict-affected settings (FCS). Due to escalating conflict, instability and violence, none of these countries are on track to achieve the Sustainable Development Goals (SDGs). Concurrently, official development assistance earmarked for peacebuilding and conflict prevention is at a record low, contrasting with mounting peacebuilding needs.

Private investment often cannot find its way to FCS because of real or perceived risks, and because of a lack of peace-aligned investment products. Many of these markets are fast growing, with significant opportunity, but cannot be reached because of risks, both perceived and real. Peacebuilding and peace actions have been shown to de-risk investment, creating additionality and materiality for investors. Peace Finance is a critical new way to de-risk investment for both communities and investors.

As it stands, Peace Finance does not yet exist as an investment category. The market needs to be built and branded on its own merit. It is a new approach to financing in FCS and creates a bridge between peacebuilding and finance.

Yet, there is significant latent potential for a Peace Finance market – there are virtually no financial products available aligned to SDG 16, Peace, Justice and Strong Institutions to investors seeking SDG-aligned investing. International concessional and development finance is under significant pressure to grow its investment and pipeline in fragile and conflict-affected settings. Many institutional funds have expressed interest in peace-aligned investing, yet there is a lack of pipeline and active investments. The system is composed of a large number of actors, oftentimes not working together (e.g. private investors / peacebuilders) or not working in the most efficient ways together (there is a lot of competition within peacebuilding organisations, for instance).

Implications for Finance for Peace

- > As the sector does not exist yet, raising awareness and understanding of Peace Finance and educating its stakeholders will be key
- > There is a need to rally actors around the cause, facilitate new partnerships between stakeholders, and ensure they become strong advocates for Peace Finance shifting from a sporadic system to a holistic ecosystem
- > The market needs to be built. In order to capitalise on significant ecosystem activity and advocacy done to date it is important to demonstrate 'proof of concept' and show Peace Finance is possible, practical and beneficial

Finance for Peace

Incubated by Interpeace in April 2022, the initiative supports two of Interpeace's strategic aims for a resilient peace:

- > Changing the way peace is funded by increasing the value of existing public financing for peacebuilding and attracting the private sector into peacebuilding (aim 1, objective 3)
- > Embedding peace in the international system by increasing the number of international partners and enhancing capacity to accompany partners' work practically in the field (aim 3, objective 2)

Finance for Peace is a unique initiative in this unique sector. The Finance for Peace team has a competitive advantage, with broad expertise ranging from development finance to peacebuilding, research, policy, and com-

munications. Although Finance for Peace does not currently have direct competitors, time is of the essence to create the market for Peace Finance. Because Finance for Peace seeks to reinforce peace as a global public good, traditional concepts of competition arguably do not apply – if other entities and bodies adopt Finance for Peace's standards and implements them this would be seen as a success.

Brand statements

- > Our purpose is to enable peace through finance
- > Our vision is a world where investors and communities align for peace.
- > Our mission is to create the market for peace-aligned investment.
- > Underpinning **Finance for Peace's** work are the same **values** that characterise its reputable parent organisation, Interpeace, albeit slightly adapted to better reflect Finance for Peace's line of work:
 - · Respect: for local cultures (capacities), for ideas and solutions, internally and externally
 - · Trust: between people, a critical foundation for business, and for lasting peace
 - · Integrity: we are principled, forthright, and sincere in our ways of working
 - · Participation: active interaction and inclusion transform relationships and create new possibilities

Organisational objectives

Developed from the insights drawn from the multiple workshops and research conducted, **Finance for Peace's objectives** also derive from the contextual implications mentioned at the beginning of this paper:

- 1. To raise awareness of Peace Finance and the opportunities it can create
- 2. To align investments, Peace Finance principles and communities' needs
- 3. To create acceptance amongst key audiences that Finance for Peace has the solutions

To engage key audiences to take action for Peace Finance

Strategy pyramid



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Workstreams and Strategic Approach

- > Standards & Services: We set norms and standards that ensure the peace-positive impact and sustainability of investments
- > Market Intelligence: We provide cutting-edge research and insight contributing to de-risking investments and opening new markets, while supporting communities' needs
- > Strategic Relations & Policy: We advocate for Peace Finance to be integrated into systems (systems change) through strategic policy and advocacy work. We build the partnerships and networks to help create and fund the market

To deliver on its key objectives and vision, Finance for Peace will follow a strategic approach as outlined below:

Standards & Services: Creating standards and incentives

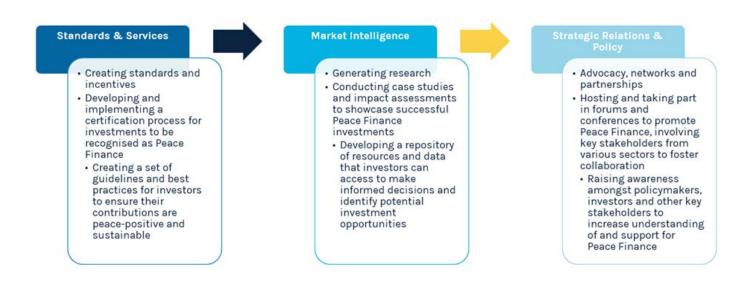
- > Developing and implementing a certification process for investments to be recognised as Peace Finance.
- > Creating a set of guidelines and best practices for investors to ensure their contributions are peace-positive and sustainable.

Market Intelligence: Generating research

- > Conducting case studies and impact assessments to showcase successful Peace Finance investments.
- > Developing a repository of resources and data that investors can access to make informed decisions and identify potential investment opportunities.

Strategic Relations & Policy: Advocacy, networks and partnerships

- > Hosting and taking part in forums and conferences to promote Peace Finance, involving key stakeholders from various sectors to foster a collaborative environment.
- > Raising awareness amongst policymakers, investors and other key stakeholders to increase understanding of and support for Peace Finance.



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