



Finance for Peace



Summit of the Future Action Days Side Event (Summary) *Investing in Prevention: Scaling up Peace – A Call to Action for DFIs*

Led by the African Development Bank (AfDB) in partnership with the UN Peacebuilding Support Office (UN-PBSO), Interpeace, g7+, Civil Society Platform for Peacebuilding and Statebuilding (CSPPS), Permanent Mission of Brazil, and Permanent Mission of Mozambique

Background on the event

The Secretary-General's New Agenda for Peace has urged International Financial Institutions (IFIs) to become agents for peace. The AfDB is a trailblazer in its systematic engagement on fragility in Africa, adapting its business model to meet the needs of the populations most affected by multidimensional sources of fragility and conflict. In its Ten-year Strategy (2024-2033), the bank recognizes peace and stability as regional and global public goods. The side-event aimed to mobilize DFIs to prioritize investments that contribute to peacebuilding, resilience, and stability in conflict-affected contexts; and highlight innovative partnerships that integrate peacebuilding and development, with a specific focus on leveraging public and private resources for sustainable peace-positive investments.

Frank and compelling discussion was moderated by Marie Laure Akin Olugbade, Vice President, AfDB; with notable speakers: Amilcar Tivane, Vice Minister, Economy and Finance, Mozambique; Kenyeh Barlay, Minister, Planning and Economic Development, Sierra Leone and g7+ Chair; Issa Faye, Director General, Islamic Development Bank; Elizabeth Spehar, ASG, UNPBSO; Itonde Kakoma, President, Interpeace; and Peter Van Sluijjs, Executive Coordinator, CSPPS. It was further enriched by insightful contributions from the CCCPA, UNHCR, WEF, AU Peace Fund secretariat, the Asian Development Bank.

Key Issues discussed

- **A vibrant and inclusive private sector can ignite economic growth, provide jobs and services, and help stabilize societies.** Yet, domestic private sector in most FCS is underdeveloped, due to limited access to international financing, including international capital markets.
- **DFIs and the private sector have a key role to play.** Both public development finance and private investment are essential in addressing underdevelopment and inequality.
- **Achieving this requires a differentiated 'Peace Finance' approach that builds new partnerships** between local communities, Governments and international public and private investors, prioritizing prevention informed by deep understanding of the realities on the ground.
- **Peace Finance is not a new form of charity:** peace-positive investments that realise direct & indirect impact on safety, security, and social cohesion through benefit-sharing mechanisms and inclusive design processes, can lower the risk for investors and communities, and crowd-in further capital.
- **The AfDB is operationalizing the UNSG's call by supporting the development of a Peace Finance ecosystem,** by partnering with peace actors such as Interpeace and UN-PBSO.
- **Mozambique has ignited significant political reforms to mobilize more resources from the private sector and development finance institutions for the pursuit of peace and prosperity.**



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- **Commendable efforts are underway to unlock catalytic capital that contribute to fostering peace and resilience in frontier markets.** The UNCDF pilots investments in high-risk markets that absorb risks and in turn, create a conducive space for additional financial flows from larger institutions.
- **Conflict-affected areas bear the brunt of climate risks,** with 17 of the top 25 countries most exposed to climate change also experiencing conflict.

Key recommendations for action

- **IFIs and regional development banks can play a catalytic role in financing peace, by shifting the way in which private and public capital is allocated,** through new approaches that promote social development. This involves integrating peacebuilding into long-term project cycle and working closely with peacebuilding actors, such as Interpeace and CSPPS members, as well as humanitarians.
- **Mobilize political support for Peace Finance at key multilateral fora** to build the political momentum to scale peace-positive investments and catalyze new partnerships for coordinated and collective action crucial for integrated solutions that de-risk investments. The **2025 Peacebuilding Architecture Review, COP29 and G20** provides key opportunities.
- **Form new development finance, humanitarian and peacebuilding partnerships, with the private sector, as essential to enable coordinated and collective action,** as well as the design of integrated solutions that de-risk investments for investors and communities. While development finance actors provide critical credibility and resources, peacebuilding actors operating through localized interventions can pro-actively manage and mitigate risks for both communities and investors.
- **Scale investments in initiatives such as Investing for Peace (I4P),** to unlock the potential of multi-stakeholder coalitions to attain shared peacebuilding and development goals, through UN agencies with the mandate to mobilize finance in LDCs such as the UNCDF. In partnership with the UN-PBSO, UNCDF can deploy peace-responsive, catalytic capital for socio-economic development in last-mile contexts, pooling more investors in high-risk environments – DFIs, foundations, and impact investors.
- **Enhanced synergies between IFIs and UN agencies such as the UN-PBSO or UNHCR ensures that development finance yields peace dividends** by designing solutions that focus on employment generation, economic inclusion, and equitable access to social services, especially among displaced populations, building on the UN presence and normative capacity to advise on risk.
- **Peace Finance is key to scaling investments to achieve SDGs on eradicating poverty (1) and hunger (2).** By embedding mechanisms that mitigate drivers of conflict, including perceptions of benefit, access to livelihoods, inequality or resource competition. Peace Finance drives coordinated action and pooling of resources needed to maximize impact through local and national ownership, inclusive processes, alignment with communities' needs and national peace and development plans.
- **Peacebuilding should be integral to addressing the climate crisis.** Peacebuilding approaches can ensure the success of mitigation and adaptation projects by aligning investments with peace outcomes, in regions where climate-induced stressors can escalate tensions.

Webpages to find more information:

- <https://bit.ly/3B7XRO7>
- <https://bitly.cx/9Vt5>
- <https://webtv.un.org/en/asset/k1b/k1b4zcd6qv>