

# Peace & Security Aid in Crisis

## Rethinking Civilian Investment and Local Leadership

**Study** by Melissa Li, Maximilian Biller, Philipp Rotmann

# If you only read one page...

1

Global political violence has doubled since 2020, yet assistance for peace & security is dropping fast.

2

Trump's destruction of USAID may be the worst case, but other donors are also making cuts, and non-Western donors are not stepping up.

3

Conflict prevention is severely underfunded. In 2023, investment fell to 2015 levels, receiving 3-5 times less than acute crises.

4

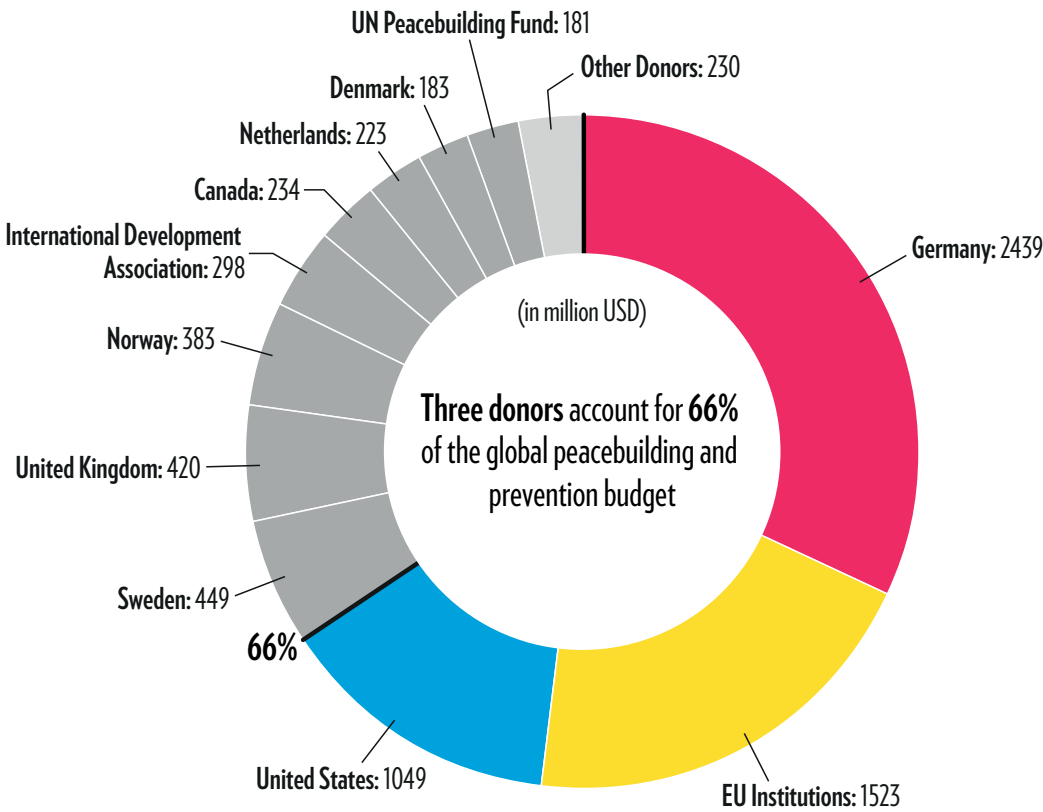
Locally led peacebuilding remains a far-off goal. Power is largely in the hands of donors and intermediaries, limiting local leadership.

5

Peace & security assistance needs urgent changes. Donors must redesign engagement, empower locals and invest more strategically to prevent worsening instability.

# EXECUTIVE SUMMARY

Global non-military investment in peace and security depends on a small pool of European and North American funders.



Total amounts, in million USD, gross disbursements, 2022 constant prices. Source: OECD's Creditor Reporting System (CRS)

President Trump's destruction of USAID, the United States' aid agency, accelerates and drastically worsens a sharp downward trend in non-military peace and security assistance among many donors. This decline began in 2019 and has picked up pace recently with most

major donors making increasingly heavy cuts. Part of the problem is that global non-military investment in peace and security depends on a small pool of European and North American funders.

Violence is forecast to claim 20,000 lives every month in 2025. Yet, we may see 34 percent less global investment in peace and security compared to the 2021-2023 average.

Meanwhile, global political violence has almost doubled since 2020, further propelled by increasingly frequent climate-induced shocks to resource-constrained livelihoods. The violence is forecast to claim 20,000 lives every month in 2025. Yet, this year we may see 34 percent less global investment in peace and security compared to the 2021-2023 average. This is an abdication of responsibility on the part of governments that could help but decide not to, and is at odds with their self-interest: the ramifications of these funding cuts will be bad for everyone, except the few that benefit from violence. No country can afford to ignore the ever-growing bloodshed and displacement.

Shrinking peace and security budgets have left the field at a crossroads. In this study, we assess the state of non-military funding and offer recommendations on how donors, advocates and local partners can ensure the remaining resources are put to best use.

We focus on the allocation of money and power between local agencies and external support. We build on two principles essential to the success of peacebuilding and conflict prevention — especially given the current funding constraints: (1) money should be allocated efficiently to the most promising interventions and (2) assistance should be organized and led as locally as possible to ensure long-term sustainability. These two principles are connected, particularly when considering how money is allocated between local actors and external supporters.

## Investment is rapidly shrinking and most is allocated in a scattershot way

To assess the allocation of funding, we examine Organisation for Economic Co-operation and Development (OECD) statistics across several metrics for peace and security assistance. We find that, between its peak in 2018 and 2023 (the latest year for which data is available through the OECD's Creditor Reporting System, CRS), global donor investment in peacebuilding and prevention fell by 12 percent (\$343 million) and conflict assistance more broadly fell by 17 percent (\$871 million). We know from donor budgets that additional, sharper cuts have followed since then.

We have also seen shifts in the funder landscape. The United Kingdom, which has long been among the top three donors in this area, completely dropped out of this leading group to fifth place, according to its total development funding for peace and security between 2021 and 2023. That left Germany, the European Union and the US as the top three funders: they jointly accounted for 66 percent of global spending in this field between 2021 and 2023.

As of 2023, donors have continued to invest between three and five times less in conflict prevention than in acute crises.

Further cuts by the UK and the US announced since, and the teardown of USAID, signal further trouble for the sector. So far, it does not appear that other donors — including non-Western donors — will be willing to fill the widening funding gap.

As of 2023, donors have continued to invest between three and five times less in conflict prevention than in acute crises. Our estimates show that preventive investments — peacebuilding and prevention spending flowing into countries that are not yet in acute crisis — tanked in 2023, falling to between \$635 and \$845 million, on par with 2015 levels. This funding falls far short of the level UN/World Bank models suggest is needed for successful conflict prevention.

Our research also shows that donors' limited funding is spread too thinly. Major donors, including the top three, have a mostly scattershot approach to funding projects for prevention as well as for peacebuilding and stabilization. With rare exceptions, their country portfolios are many and small.

## Localization efforts fall short of many donors' commitments

To examine efforts to shift money and power from external supporters to local actors, we combine our quantitative analysis of spending patterns, based on OECD data, with a qualitative analysis of the allocation of decision-making power between external and local actors, based on interviews conducted in the Western Balkans (Kosovo and Bosnia & Herzegovina) and Gulf of Guinea (Côte d'Ivoire and Ghana).

We find that very little of donors' peacebuilding aid directly goes to local actors — and where it does, the money flows to recipient government institutions rather than local civil society. Even though donors rarely fund local actors directly, they almost always rely on them for crucial contributions. Instead of in direct partnerships, donors often work through intermediary organizations that manage budgetary and administrative processes. In this way, money still gets transferred to local actors, even if not directly, but much of it is spent paying for the intermediaries.

In the rare cases where donors fund local actors directly, they do so almost exclusively through project rather than core funding. According to the OECD, this leaves local actors with a type of funding that offers them fewer opportunities to pursue their own interests, compared to when they receive core funding. In practice, however, we found that local actors *are* often able to shape peacebuilding interventions in some way, even when financed through project funding. We also found that there are significant hierarchies between local partners: the lower they are in the implementation chain, the less influence local partners have. Those at the very bottom of the chain are often not even compensated for their work on donor-funded peace-and security-related projects.

## We cannot afford to let peace and security assistance drop off a cliff

Both military and non-military assistance to peace and security are central to saving lives and safeguarding the core security interests of countries around the world. But the palpable crisis of confidence in the field of civilian peace and security, and the present and expected funding cuts mean donors must fundamentally rethink their approach. By all indications, violence and displacement are likely to keep rising over the next few years. However, we might also see opportunities for peace in places like Gaza, Ukraine or Syria. Seizing these opportunities to forge a path toward stability and sustainable peace will require quick and decisive action on the part of the global community — and it will be expensive.

If donors keep chipping away at their foreign assistance budgets for peace and security, we risk a cascading effect where more and more funders pull out and the combined impact of their funding drops off entirely. This tipping point is not far away.

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## Recommendations

We strongly suggest a different path. We have developed nine recommendations for funders, peacebuilding and prevention advocates, intermediaries, and local organizations on how to rethink and reinvest in assistance for peace and security, and how to empower local partners.

### For Donors

- 1. Redesign your support to leverage political opportunities with targeted interventions.**
- 2. Calibrate country-specific and regional initiatives to fit differentiated ambitions.**
- 3. Build in-house capacity to analyze and engage with local political dynamics — or outsource to intermediaries.**
- 4. Adapt support to the needs of local partners.**
- 5. Tailor co-creation processes with primary and lowest-level local actors to local capacities.**
- 6. Provide fair and efficient funding to local partners along the entire subcontracting chain — more core funding, no unpaid labor.**
- 7. Invest in research to understand the impact of direct local and indirect peacebuilding funding.**

### For Advocates

- 8. Refocus on accountability for impact.**

### For Local Organizations

- 9. Leverage key position in peacebuilding projects.**

If donors do not act quickly to rethink and reshape peace and security assistance, they risk squandering even the limited opportunities for greater peace and security that are currently available. A lack of targeted assistance may prove to be a crucial bottleneck for Syria's transition after the fall of the Assad regime, Ukraine's path out of war, Nigeria's progress against Boko Haram and Iraq's, as well as Lebanon's reconsolidation. This year may bring additional opportunities, like laying the groundwork for peace in Gaza, preventing large-scale escalation risks in South Sudan and Ethiopia,<sup>1</sup> and pushing for sustainable peace in the Western Balkans, which would be far more cost-effective for Europe than periodically reinforcing its military forces in Bosnia and Kosovo.

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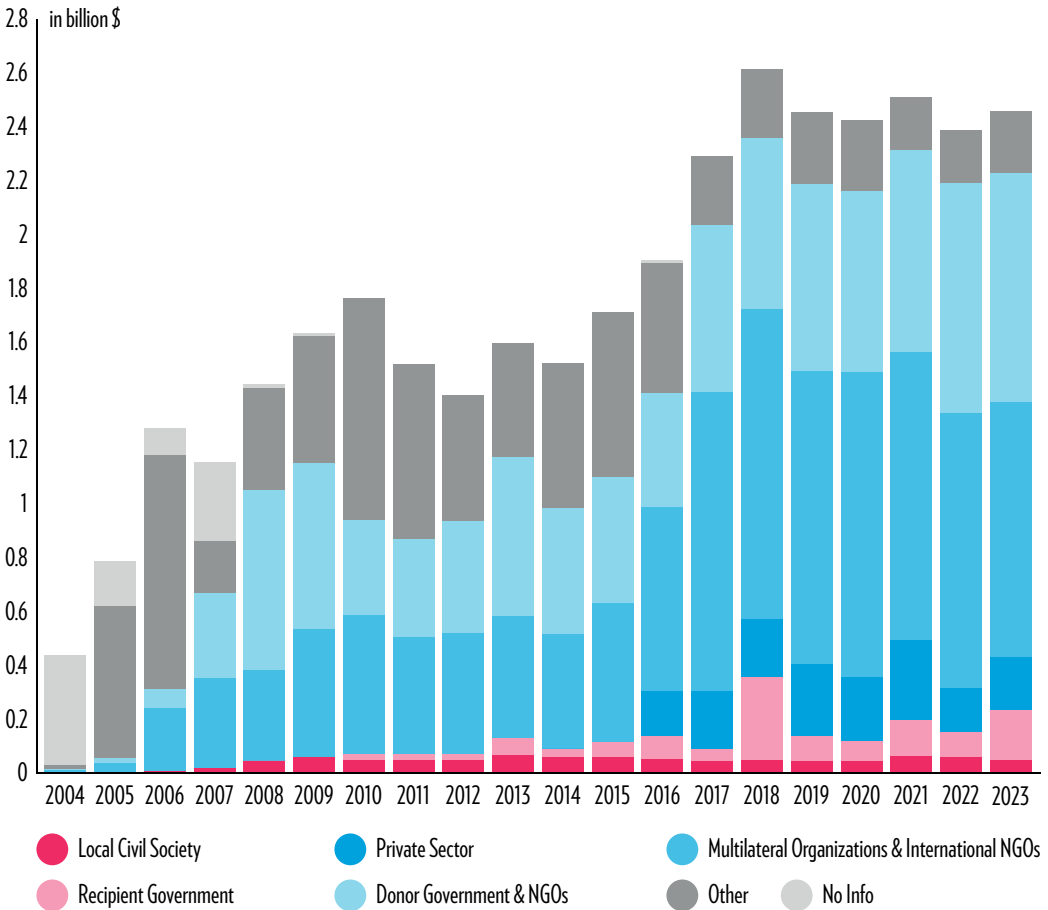
<sup>1</sup> Crisis Group, "South Sudan on the Precipice of Renewed Full-blown War," Alert, March 5, 2025, accessed March 9, 2025, <https://www.crisisgroup.org/africa/horn-africa/south-sudan/south-sudan-precipice-renewed-full-blown-war>; Harter, Fred, "A power struggle in Tigray risks Ethiopia's peace deal," 4 March 2025, *The New Humanitarian*, accessed 18 March 2025, <https://www.thenewhumanitarian.org/news-feature/2025/03/04/power-struggle-tigray-risks-ethiopias-peace-deal>

In each of these places, insufficient investment in political change toward stability, security and peace risks another round within the vicious cycle of violence, which will plunge these countries even deeper into the conflict trap. The negative knock-on effects of this violence will reverberate across neighboring countries, along trafficking routes and through global energy.

Read the recommendations in full in the final chapter of this report.

No country can afford to ignore or hide from this stark reality. For those directly affected by violent conflicts, this is a question of life or death. For those observing these trends from a safe distance, cushioned by wealth, the devastating effects of the dramatic decline in global funding for peace and security constitutes a moral stain — one that will only get worse. Not only that, but allowing global violence to spike, unabated, threatens key donor interests, from low-cost international trade and safe supply chains, to limits on drug trafficking, terrorism and mass migration. Donors need to chart a different path, one characterized by smarter, more strategic, and, yes, *more* investment in peace and security — not just in defense.

**Very little of donors’ peacebuilding aid directly goes to local actors – and where it does, the money flows to recipient government institutions rather than local civil society.**



Total amounts, in billion USD, gross disbursements, 2022 constant prices. Source: OECD's Creditor Reporting System (CRS)

# Acronyms

ACLED	Armed Conflicts Locations and Events Database
DAC	Development Assistance Committee
EUAM	European Union Advisory Mission
EULEX	European Union Rule of Law Mission
NDICI-GE	Neighbourhood, Development and International Cooperation Instrument – Global Europe
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OSCE	Organization for Security and Co-operation in Europe
USAID	United States Agency for International Development



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# INTRODUCTION

As wars and violence escalate, the world's major investors in peace and security — a limited amount to begin with — are withdrawing their funding at unprecedented rates. US President Donald Trump's outright gutting of foreign assistance is the latest and most consequential shock, but other key funders have similarly made massive cuts. These financial pullouts come at a time of great conflict: violence has continued and has been reignited in Ukraine, Sudan, Yemen, Myanmar, across the Sahel, and in the Democratic Republic of the Congo. What is more, Syria and Gaza — both in varying states of destruction, with political unrest, diseases and famine looming — will require rapid and decisive financial support if they are to reach a pathway toward sustainable peace.

Global political violence has almost doubled since 2020 and is projected to claim 20,000 fatalities every month in 2025. Between 2018 and 2023, the number of forcibly displaced people grew by 53 percent,<sup>2</sup> while OECD donors reduced their civilian investments in peace and security by 17 percent (\$871 million) — and this was the state of affairs before all major donors announced additional substantive cuts to foreign assistance in 2024 and the second Trump administration dismantled USAID in early 2025.<sup>3</sup>

Recent donor announcements indicate that 2025 may see 34 percent less global investment in non-military peace and security than the 2021-2023 average.<sup>4</sup> As wars continue and violence is on the rise, this short-sighted behavior on the part of donor countries is not only a complete abdication of their responsibility but actively flies in the face of their own interests.

In 2025, there may be 34 percent less global investment in non-military peace and security compared to the 2021-2023 average.

The drop in funding is bad for everyone, except for a few profiteers. The people who die, those who are maimed and scarred for life, those who must flee and rebuild their lives elsewhere — these are the people who suffer directly. Those unscathed by the direct violence are, however, also affected. The affordable resources and secure trading routes they rely on, provided by peace and stability, will be threatened by this rise in violence.

Similarly, political chaos further facilitates the global drug trade, as much of the global drug supply is trafficked through war-torn countries; the spillover from drug trafficking, in turn, will hurt their societies. No country can afford to ignore the current trend of ever-growing bloodshed and displacement, propelled further by the increasingly frequent climate-induced shocks to resource-constrained livelihoods.

The funding drop leaves the field of peace and security support at a crossroads. In this study, we take stock of where it stands and make recommendations on what needs to change. We focus on money and power, and how these are allocated among local actors and external support. In so doing, we build on two key principles that are widely considered fundamental to peacebuilding success, even more so with severely constrained resources: (1) money should be allocated efficiently to the most promising interventions and (2) interventions should be organized and led as locally as possible to be sustainable. These two principles are connected, particularly when considering how money is allocated between local actors and external supporters.

These two principles will guide our study, split accordingly into two major sections. In the first section of this study, we will examine how OECD donors have been allocating their official development assistance (ODA) for peace and security. We specifically look at the top three OECD donors, Germany, the EU institutions and the United States — who, in 2021-

2 ACLED, 2025, "Conflict Index: December 2024," accessed February 25, 2025, <https://tinyurl.com/43ddk2x4https://web.archive.org/web/20250214135910/https://acleddata.com/conflict-index/>; UNHCR, Data and Statistics. Global Trends, accessed February 25, 2025, <https://tinyurl.com/mvc953am>.

3 Gulrajani, Nilima, 2025, "Donors In A Post-Aid World January 2025 update," ODI Global, accessed February 13, 2025, <https://tinyurl.com/yc4y7tnw>.

4 Authors' estimate based on donor announcements and decisions for 2025, see Annex for details on method and assumptions.

2023, jointly accounted for 66 percent of global spending in this field. For these top donors, we analyze their spending for prevention compared to their spending on acute crises. Additionally, we consider the number of countries donors are engaging with (‘portfolios’) and their project sizes. This part of our study builds on our earlier work, *Follow the Money: Investing in Crisis Prevention* (2021). At the time, we found that global funding very much fell short of what had been estimated would be needed for effective prevention. We concluded that, far too often, funds were used as a substitute for political engagement and that donors followed an approach best described as scattershot, spreading their money over many small projects across regions instead of focusing on the most urgent or promising prevention cases.<sup>5</sup> The priority cases that *were* identified were acute crises — and therefore much more expensive than prevention would have been.

A very small percentage of donors’ peacebuilding aid is going directly to local actors.

In this current study, we build off our 2021 study and extend our analysis to 2023 — the most recent year for which comprehensive data is available.

In doing so, we have found that global investments in peacebuilding and prevention, as well as in conflict assistance more broadly, have fallen since 2018. By 2023, the United Kingdom, which had previously been a leading funder, had dropped off the leading list entirely, leaving Germany, the European Union and the US as the top three funders (before the further cuts and the 2025 teardown of USAID). So far, non-Western donors appear far from willing to rise to the challenge of picking up the pieces. Our estimates show that preventive investments — peacebuilding and prevention spending flowing into countries that are not yet in acute crisis — tanked in 2023 and are down to 2015 levels. Donors, including the top three, continue to implement a mostly haphazard approach to prevention; with the rare exception, country portfolios include many different states and only small amounts of money for each.

In the second section of our study, we look at efforts to ‘localize’ peacebuilding and prevention; in other words, we examine how and to what extent money and power get shifted from external actors to domestic agents. As established by the fundamental principles of the field, localizing is ethically the right thing to do and can be the cheaper option, even if evidence of its effectiveness is limited. We analyze the global spending patterns of major donors, based on publicly available OECD data, and trace the allocation of decision-making power between external and local actors, based on interviews conducted during research trips in the Western Balkans (Kosovo and Bosnia & Herzegovina) and Gulf of Guinea (Côte d’Ivoire and Ghana).

We conclude that a very small percentage of donors’ peacebuilding aid is going directly to local actors; this money mostly flows to recipient government institutions, rather than to local civil society. Even though donors barely fund local actors directly, they nearly always collaborate with them — as implementers, partners, or sources of input in their peacebuilding efforts. Instead of setting up direct, local partnerships, donors often work through intermediary organizations that have more capacity to take over essential tasks such as budgetary and administrative processes. In this way, money ends up in the hands of local actors, even if it is transferred indirectly and the amount is reduced, given the fact that not much money is left over after paying for these intermediaries.

In the cases of direct funding, local actors almost exclusively receive funds in the form of project funding, rather than as core funding. According to the OECD, this theoretically would reduce local actors’ agency in choosing how to use the money and would force them to act in alignment with the donors’ interests. In practice, however, we have found that local actors’ influence in shaping peacebuilding interventions can be significant, even in efforts funded through project funding.

5 Rotmann, Philipp, Li, Melissa, Stoffel, Sofie Lilli, 2021, “Follow the Money: Investing in Crisis Prevention,” Global Public Policy Institute, accessed January 3, 2025, <https://tinyurl.com/anvffwmn>.

We use these findings to develop nine recommendations for funders, advocates, intermediaries, and local organizations on how to navigate the present crisis. Significantly smarter investment is imperative. We will also need to rebuild peace and security investment in ways that are less wasteful and more strategic. Governments of both wealthy and fast-growing economies raised their defense spending by \$73 billion in 2023 compared to the previous year; in Europe, even sharper increases are being debated. A small percentage of that sum would be sufficient to reverse the cuts to peace and security assistance and move toward levels that would enable effective prevention — all the while, military budgets are likely to keep rising for years.<sup>6</sup>

We finalized this study in the middle of drastic moves by the Trump administration to shut down USAID. In just the first two months following these executive orders, we have already seen the incredibly severe impact the sidelining of USAID has had on many millions of people, dependent on the organization for essential and sometimes life-saving support. For decades, the US has been the biggest donor of foreign aid, and the country has always been among the top three donors in peace and security funding. Shutting down USAID will put a dent in this record and will deeply affect the peacebuilding sector.

## A field adrift

The rapid speed with which the expansionary period for peace and security assistance — roughly the first two decades of this century, until 2018 — gave way to sharp cuts among all major donors, shows that expert pushback against these cuts has not been as vigorous as it could have been.

The uncertainty about whether peace and security aid is effective is palpable among politicians, officials and other experts. Are they right to question peace and security funding? While donor-funded work helped to prevent relapse into war in the Western Balkans and West Africa, reduced violence in parts of Sub-Saharan Africa and supported Iraq's recovery post-ISIS, these and other achievements are overshadowed by failures elsewhere. Widespread violence in Sudan and Ethiopia, along with failures in Afghanistan, Yemen, Libya, and the Central Sahel, show how local successes can be quickly undone by larger national and regional crises.

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But what does this pattern tell us? Is external assistance destined to fail? Has the money merely been allocated ineffectively? Or can we blame these failures on the fact that funding is still far below a level that would yield results proportional to increased spending (an understanding based on the UN-World Bank economic modeling)? If this final suggestion is the case, would more of the same get us over the threshold or would funders need to allocate their money differently? This study alone cannot provide comprehensive answers to these questions, but our analysis of how money and power are allocated is a start; it seeks to shed some light on key parts of this 'effective allocation puzzle.' Ultimately, we want to figure out where and how funding was spent, and what that may tell us about how donors pursued (or did not pursue) pathways to impact, where they existed.

We focus mostly on funding allocated to countries, rather than on funding earmarked for individual projects, because we are interested in 'strategic success': how money is used to

6 Stockholm International Peace Research Institute, "SIPRI Military Expenditures Database," accessed January 2, 2025, <https://tinyurl.com/5tvxeu5h>, in constant 2023 US\$.

promote political changes that lead to *greater* security for *more* people and *less* violence within an entire society. Subnational projects are valuable building blocks, but if they are not part of a mutually reinforcing portfolio that simultaneously pushes on all the key levers, such efforts quickly get inundated by top-down or sideways spillovers from continued violence. Similarly, regional and transnational effects beyond state borders are important, but won't be considered in this report; donors do not report their spending data at a suitably granular level to allow for quantitative analysis.

In our research on ODA for peace and security, we covered three layers of said assistance to accommodate different understandings of peacebuilding. Within the first layer, we analyze civilian peacebuilding and conflict prevention in a very narrow sense, then we broaden our scope to include conflict assistance as our intermediate layer, and finally, we consider governance support, as part of our widest lens. Having done the full analysis, we discovered that all three of these layers produce very similar results, because they largely follow the same trends. For the sake of clarity, we have therefore decided to focus on our most precise category (peacebuilding and prevention); we only point out findings from the other two layers when major discrepancies appear.

When looking at stabilization, a similar issue with statistical categories and political goals arises. Several large donors — Germany, the US and the UK, among others — continue to subscribe to an understanding of stabilization that emphasizes the political objective of an intervention rather than the material actions on the ground. Such objectives may include close collaboration with military efforts or small-scale construction — quite distinct from any reasonably specific understanding of peacebuilding. We cannot track such efforts precisely just by using OECD metrics, as the OECD's system (purposely context-independent) cannot easily be mapped onto donors' context-specific stabilization strategies. By simultaneously analyzing several differently-scoped indicators, we capture trends that apply to stabilization as much as they do to peacebuilding and conflict prevention. We make further distinctions where possible.

## The local turn

Among a great range of opinions on what makes for good peacebuilding, there is a consensus that peacebuilding should be organized and led locally to be sustainable. Key donors have taken up the cause of 'local' or even 'locally led' peacebuilding. These donors range from various private foundations (Humanity United in the US, the Robert Bosch Foundation in Germany), to intermediaries (including various UN agencies), peacebuilding NGOs and governments. Until recently, the US was the most vocal governmental proponent of local peacebuilding, not just under President Biden but also during the first Trump administration. Project 2025, the

MAGA blueprint for President Trump's second term, states that "more funding through local organizations produces better aid outcomes" and strongly endorses localization — in particular regarding organizations who oppose "abortion, gender radicalism, climate extremism, and other woke ideas."<sup>7</sup> It remains to be seen what version of foreign aid, if at all, the current Trump team will try to resurrect.

Our analysis of money and power in local peacebuilding aims to contribute to this 'local turn' debate. We hold Western donors accountable to their

Our analysis of money and power in local peacebuilding aims to contribute to this 'local turn' debate. We hold Western donors accountable to their own commitments on local peacebuilding.

<sup>7</sup> Primorac, Max, "Chapter 9: Agency for International Development," in *Mandate for Leadership: The Conservative Promise*, edited by Paul Dans and Steven Groves, Project 2025, accessed on February 12, 2025, <https://tinyurl.com/y9z7t2wh>.

own commitments on local peacebuilding by examining their spending patterns, as well as by looking at power dynamics between external and local partners. We judge whether donors actually walk the talk; for this analysis, it is inconsequential whether local peacebuilding is contributing to more sustainable peace everywhere, merely under some (yet unknown) conditions, or nowhere at all.

This call for localization started as an ambitious, critical agenda, but has since been mainstreamed in literature and international cooperation. Related debates on ‘decolonizing aid’ have retained their radical potential and go a step further by focusing on structural racism and sexism in the international aid system. The localization debate finds itself wedged within this larger, incredibly significant, discussion.

The local turn challenges the Western, liberal notion that peacebuilding practices (run by the West) are universally applicable and universally desirable. Instead, this debate champions local agency, bottom-up (grassroots) peacebuilding approaches and local resistance to top-down interventions.<sup>8</sup> Indeed, it was top-down, state-centric and locally-blind approaches that were found to be responsible for some of the great security failures of the twenty-first century, including the failed US-led invasion of Iraq (2003-2010) and the resurgence of the Taliban in Afghanistan (2005-2021).<sup>9</sup>

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Proponents of localization bring forward three reasons in support of the practice: they argue local aid is more effective, normatively desirable and cost efficient. Let’s look at these claims one by one. Local aid is said to be more effective because actors directly affected by a conflict are likely better placed than external forces to drive a peacebuilding process; they know the context, have better access to different communities and have the biggest stake in improving the political situation. These advantages are claimed to make a locally-driven process more likely to produce sustainable peace.<sup>10</sup> Regarding the second claim, advocates say putting local priorities at the forefront is the morally ‘right thing’ to do, as those affected by conflict should decide what kind of peace they want and how to best achieve it.<sup>11</sup> Finally, several of our interviewees argued that local peacebuilding is more cost-efficient, as the salaries for local staff are usually significantly lower than those of international staff. Moreover, local organizations tend to spend less on logistics and bureaucracy.<sup>12</sup>

Research corroborates this claim for efficiency and cost-effectiveness; researchers have calculated that implementation by local intermediaries is indeed 32 percent cheaper than implementation by international intermediaries.<sup>13</sup> We have not, however, found compelling

8 Pfaffenholz, Thania, Poppelreuter, Philip, Ross, Nicholas, 2023, “Toward a Third Local Turn: Identifying and Addressing Obstacles to Localization in Peacebuilding,” *Negotiation Journal* 39, no. 4: p. 350, accessed July 23, 2024, <https://onlinelibrary.wiley.com/doi/abs/10.1111/nejo.12444>.

9 Mac Ginty, Roger, and Richmond, Oliver P, 2013, “The Local Turn in Peace Building: a critical agenda for peace,” *Third World Quarterly* 34, no. 5: p. 772, accessed June 2, 2024, <https://www.jstor.org/stable/42002156>.

10 Leonardsson, Hanna, and Rudd Gustav, 2015, “The ‘local turn’ in peacebuilding: a literature review of effective and emancipatory local peacebuilding,” *Third World Quarterly*, 36, no. 5: p. 830, accessed June 4, 2024, <https://www.jstor.org/stable/24523125>; Pfaffenholz et al., 2023, “Toward a Third Local Turn” p. 354; Mac Ginty, Roger, 2015, “Where is the local?” *Critical localism and peacebuilding*, *Third World Quarterly*, 36, no. 5, accessed June 7, 2024, <https://www.tandfonline.com/doi/abs/10.1080/01436597.2015.1045482>; Vernon, Phil, 2019, “Local peacebuilding. What works and why,” *Peace Direct and Alliance for Peacebuilding*, p. 3, accessed June 9, 2024, <https://tinyurl.com/mwhh6pcn>; Edjus, Filip, and Juncos, Ana E., 2018, “Reclaiming the local in EU peacebuilding: Effectiveness, ownership, and resistance,” *Contemporary Security Policy*, 39, no. 1, accessed June 8, 2024, <https://tinyurl.com/2bjf92fs>; Government Offices of Sweden/Ministry of Foreign Affairs, “Strategy for Sustainable Peace 2017-2022,” accessed May 24, 2024, <https://tinyurl.com/ytz3rsp9>.

11 Leonardsson and Rudd, 2015, “The ‘local turn’ in peacebuilding,” p. 832.

12 Hellmüller, Sara, 2014, “Introduction,” in *Is Local Beautiful? Peacebuilding between International Interventions and Locally Led Interventions*, eds. Sara Hellmüller and Martina Santschi, Bern: swisspeace, p. 10; Vernon, 2019, “Local peacebuilding,” p. 48.

13 Venton, Courtenay Cabot, Warri, Chilande Kuloba, Cullen, Brendan, Bryson, Imogen, Clarey, Toscane, Mulwa, Koki, Mala,



evidence that international support for local peace activities leads to more effective peacebuilding than ‘non-localized’ interventions; systematic and comparative analyses across different cases are sorely lacking.

A 2019 report by the organizations Alliance for Peacebuilding and Peace Direct presents dozens of examples of successful local peace initiatives (usually on a limited community/sub-national scale), based on independent evaluations in over 20 different countries.<sup>14</sup> However, the study did not examine the effectiveness of external support to local peacebuilding initiatives — and therefore does not provide an insight into what effective support could look like.<sup>15</sup> This lack of evidence for localization’s impact is not limited to the peacebuilding sector; it is also true for the humanitarian sphere. A 2021 literature review of the evidence base for localization in the humanitarian sector found that “[t]here are assumptions that localization will improve the quality and impact of humanitarian responses; however, very little generalizable evidence has tested these assumptions.”<sup>16</sup>

We use the term ‘localization’ decidedly not to reinforce these power imbalances, but rather to acknowledge the existence of said dynamics and to make them visible.

Arguably, one reason for the missing evidence could be the fact that external support to local peacebuilding has not yet been properly implemented, which means that its effects cannot (yet) be measured. For example, Thania Pfaffenholz claims that “[p]rojects continue to be designed according to global templates and funding streams and often are managed by international staff”<sup>17</sup> — and therefore peacebuilding projects still follow an established implementation pattern. At the same time, existing literature indicates that peacebuilding without centering local actors and priorities does not work.<sup>18</sup> An often-cited case study by author Séverine Autesserre on the Democratic Republic of the Congo illustrates how international peacebuilders failed to acknowledge local realities, rendering them unable to successfully contain violence.<sup>19</sup> Many international actors, including major donors, have since invested in ways to better understand and monitor local contexts, exploring everything save relinquishing total power to local partners.<sup>20</sup>

## What or who is ‘the local’?

The term ‘local actors’ was established by Western donors, international organizations and NGOs to refer to stakeholders in aid-receiving countries. By tying itself to this terminology, the ‘localization’ or ‘locally led peacebuilding’ debate reproduces this hierarchical and binary split of ‘the international’ and ‘the local,’ which predominantly paints the latter as weak and in need of assistance. In this study, we use the term ‘localization’ decidedly *not* to reinforce these power imbalances, but rather to acknowledge the existence of said dynamics and to make them visible. A term like ‘domestic actors’ could be an alternative but would end up reproducing the same hierarchy.

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Mahfuza, 2022, “Passing the Buck: The Economics of Localizing International Assistance,” accessed July 1, 2024, <https://tinyurl.com/f9rdz7fj>.

14 Vernon, 2019, “Local peacebuilding.”

15 Autesserre, Séverine, 2017, “International Peacebuilding and Local Success: Assumptions and Effectiveness,” *International Studies Review*, 19, no 1: pp. 114-132, accessed May 3, 2024, <https://doi.org/10.1093/isr/viw054>. The author also concludes that the evidence base for successful external support for local initiatives is mixed.

16 Barbelet, Veronique, Davies, Gemma, Flint, Josie and Davey, Eleanor, 2021, “Interrogating the evidence base on humanitarian localization. A literature study,” *HPG literature review*, accessed May 7, 2024, London: ODI, <https://tinyurl.com/3ry4hn5y>.

17 Pfaffenholz et al., 2023, “Toward a Third Local Turn” p. 351.

18 For an overview of respective literature, see Pfaffenholz et al., 2023, “Toward a Third Local Turn,” p. 350.

19 Autesserre, Séverine, 2010, *The Trouble with the Congo: Local Violence and the Failure of International Peacebuilding*, New York: Cambridge University Press.

20 Rotmann, Philipp, and Watson, Abi, 2023, “Close the Gap: How to Leverage Local Analysis for Stabilization and Peacebuilding,” Global Public Policy Institute, accessed January 3, 2025, <https://tinyurl.com/2n7areft>.



For the study, we adopt a broad understanding of ‘local actors’ that does not only include local civil society organizations but also local state actors at all levels, ranging from national to municipal. Moreover, we understand localization as a continuous process within peacebuilding practices toward greater power, ownership and agency for local pro-peace actors (central and local governments, as well as local civil societies). The end goal of the localization agenda is for local agents of peace to define, own and lead peacebuilding activities, using only as much international support as necessary. In practice, localization would mean that external actors slowly and in limited ways shift (1) funding and (2) decision-making power to local partners — a bifurcation echoed in our choice to analyze localization along these two dimensions.

In the broader discussion on local peacebuilding, there is no single prevailing definition of local peacebuilding, or even what ‘the local’ would entail. One way to define ‘the local’ would be by looking at geographic location. In this regard, researchers and policymakers often conceptualize ‘the local’ as opposed to ‘the international,’ whereby the latter is typically understood to comprise Western donors. This approach has been thoroughly criticized for glossing over the fact that neither local nor international actors are monoliths — rather, they are heterogeneous groups pursuing varying, if not opposing, goals and views.<sup>21</sup>

Even if we were to agree on a suitable definition of ‘local actors,’ applying it to the real world would not be an easy task. Common criteria for determining whether an organization is local or not include the location of its headquarters, the number and positions of local staff and its affiliation with an international organization. Recently, this final point has stirred some debate. USAID, for example, considers local offices of international NGOs in the recipient country to be local actors. Critics, however, argue that this definition diverts financial resources and power away from ‘home-grown’ local organizations and toward actors who are merely implementing what is decided elsewhere.<sup>22</sup> Similarly, several interviewees criticized the fact that international peacebuilding NGOs have started to expand their in-country presence, which these interviewees saw as a cheap way to localize their efforts. Such peacebuilding NGOs have countered this critique by pointing out that this practice helps them track local developments better and allows them to adapt their interventions to the specific context.

We adopt a broad understanding of ‘local actors’ that includes local civil society organizations and local actors at all levels, ranging from national to municipal.

The term ‘local actors’ should also be further parsed out. The term could encompass organized and structured actors (such as civil society organizations or national and subnational players) but also could include less formal entities such as unincorporated groups representing certain affected communities.<sup>23</sup> Some argue that only interventions in partnership with independent local actors (meaning those who do not represent the central government) should be viewed as ‘local.’ This interpretation is mainly based on the argument that the central state can be complicit in inducing violence or endangering civilian lives.<sup>24</sup> This is, of course, correct — but regional officials, local mayors and local clergy have also been implicated in violence. It would also be wrong to assume that local officials are automatically more accountable to their populations than to the central state.

21 Pfaffenholz, Thania, 2015, “Unpacking the local turn in peacebuilding: a critical assessment towards an agenda for future research,” *Third World Quarterly*, 36, no. 5: pp. 857-874, accessed May 12, 2024, 10.1080/01436597.2015.1029908.

22 Lewis, Henry, Forster, Gary, and Paxton, Sally, 2024, “METRICS MATTER II. USAID’s measurement approach is undermining progress on localization,” *Publish What You Fund*, accessed May 12, 2024, <https://tinyurl.com/577b4wz7>.

23 Pfaffenholz et al., 2023, “Toward a Third Local Turn” p. 354; Leonardsson and Rudd, 2015, “The ‘local turn’ in peacebuilding.”

24 Pfaffenholz, 2015, “Unpacking the local turn in peacebuilding.”

Indeed, the call for locally led peacebuilding risks romanticizing ‘the local.’<sup>25</sup> Being local does not automatically make an entity a promoter of peace, nor is distance from the government a silver bullet. In some countries, especially those with a long history of international civil society support, local NGOs have gained a negative reputation — whether that be for ineffectiveness, political corruption or even for undermining the peace they claim to promote. No type of actor should automatically be considered morally superior or be allowed to enjoy greater local legitimacy than other actors. Thus, as frustrating as it might be, which local actors are best placed to promote peace always depends on the context.

A less categorical tenet of the local peacebuilding agenda is the demand for external actors to pay more attention to local actors’ priorities — be it by listening to them, collaborating with them or by letting them decide what and how to prioritize. In this regard, the peacebuilding organizations Peace Direct and Alliance for Peacebuilding make a useful distinction that ranges from low to high local agency in implementation: “(1) locally led and owned, where local people and groups design the approach and set priorities, while outsiders assist with resources; (2) locally managed, where the approach comes from the outside, but is ‘transplanted’ to local management; or (3) locally implemented, primarily an outside approach, including external priorities that local people or organizations are supposed to implement.”<sup>26</sup> While this distinction does not help identify pro-peace, trustworthy, or effective local actors, it is useful for adopting a tiered approach with different requirements. Foreign actors should listen broadly — even to problematic figures — and work with difficult actors who require strict oversight (such as local security forces). However, they should be far more selective when deciding whom to truly empower.

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25 Džuverović, Nemanja, 2021, “‘To romanticize or not to romanticize the local’: local agency and peacebuilding in the Balkans,” *Conflict, Security & Development*, 21, no 1; pp. 21-31, <https://doi.org/10.1080/14678802.2021.1888517>.

26 Vernon, 2019, “Local peacebuilding.”

**FOLLOW THE MONEY:**

GLOBAL INVESTMENT TRENDS  
FOR PEACE AND SECURITY

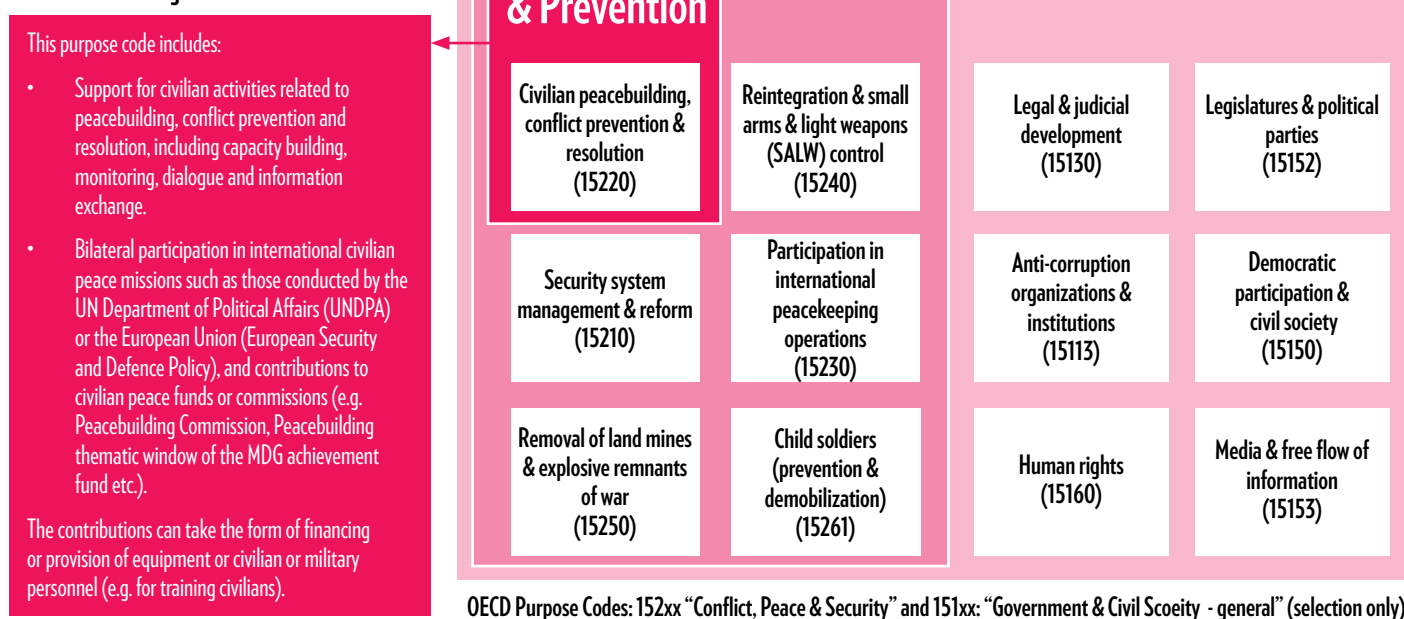
In this chapter, we look at the money flows: how have donors allocated their non-military investments to promote peace and security, and what does this tell us about efficient use of funding and its potential for impact? We use the common OECD reporting scheme to analyze how OECD donors are allocating their ODA (as reported by the donors themselves).

As there is considerable ambiguity about what counts as ‘promoting peace and security,’ we have chosen to analyze three layers in parallel. The narrowest layers, which we call Peacebuilding and Prevention, only covers the spending that donors report as “civilian peacebuilding, conflict prevention and resolution.” A broader layer, referred to as Conflict, aligns with the OECD’s definition of “conflict, peace and security.” This definition expands on Peacebuilding and Prevention by including additional activities such as demining, reintegration of ex-combatants and security sector reform — all non-military efforts. The broadest layer, Governance, includes spending aimed at promoting human rights and democracy in conflict-affected countries. While these efforts are crucial for fostering peace and security, they are also pursued independently in stable contexts, making this category less precisely defined.

As laid out in the introduction, this chapter builds on the findings of our previous study *Follow the Money: Investing in Crisis Prevention* (2021), which analyzed how donors spent peacebuilding assistance from 2004 to 2019. We now extend the analysis to 2023 — the most recent year for which complete OECD data is publicly available. For the 2024 estimates, we use SEEK Development’s Donor Tracker data. For the 2025 estimates, we partially rely on the Donor Tracker data and apply our own methodology (see the Annex for methods).

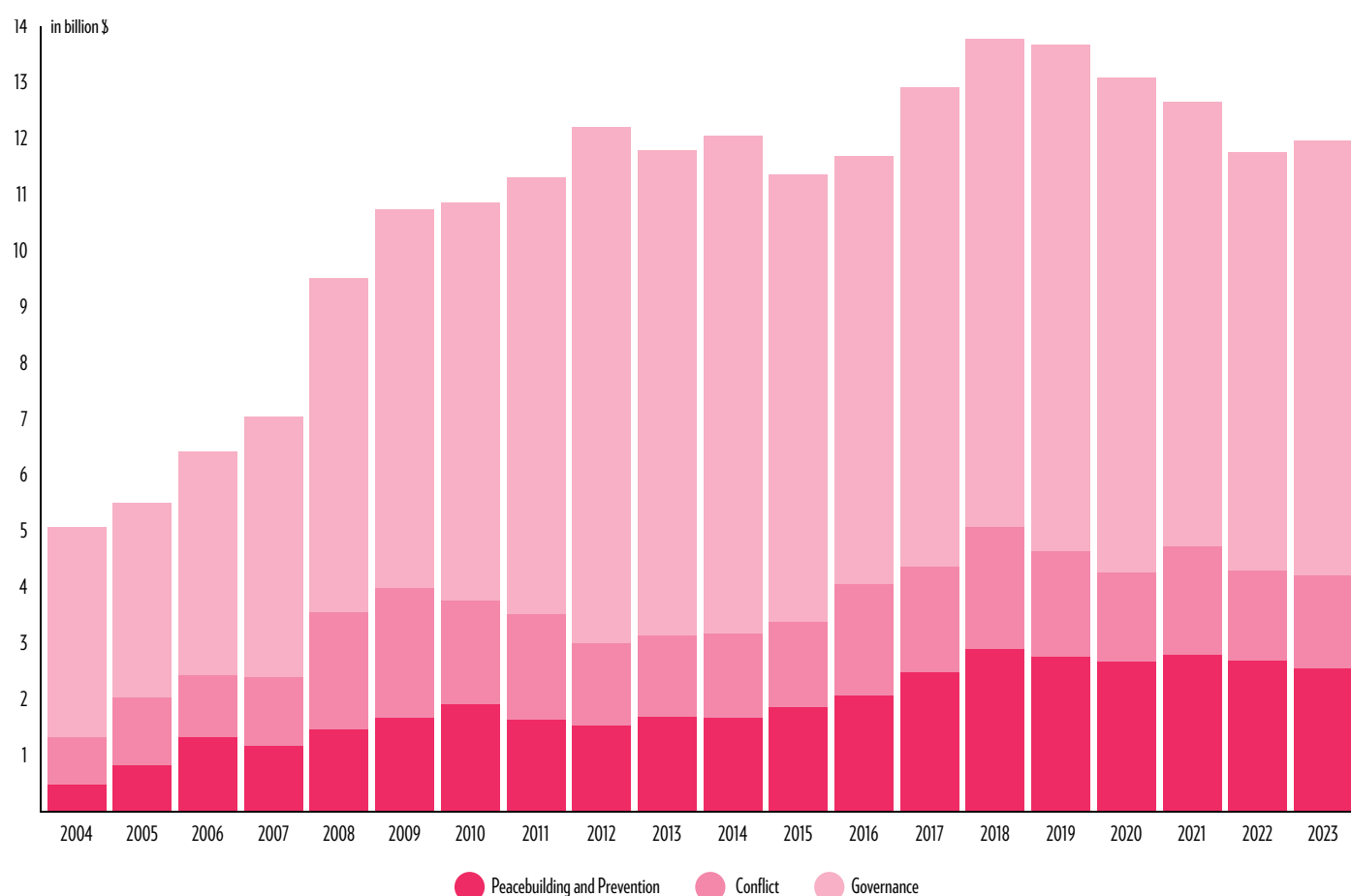
We have found that global investments in peacebuilding and prevention, as well as in conflict assistance more broadly, have dropped starkly since 2018 — with one of the leading funders, the UK, not even making the list of top funders (Germany, the EU, the US) by 2023. Preventive investment has similarly dwindled and is down to 2015 levels. The money that is still flowing to prevention gets allocated in a scattershot manner. And, so far, non-Western donors have not stepped up to fill this funding gap.

**Figure 1: OECD Purpose Codes Used to Analyze Funding to Governance, Conflict and Peacebuilding & Prevention**



Source: Organization for Economic Co-operation and Development, 2024, Converged Statistical Reporting Directives for the Creditor Reporting System (CRS) and the Annual DAC Questionnaire, Chapters 1-6, DCD/DAC/STAT(2024)40/FINAL, 2024, accessed July 2, <https://tinyurl.com/2v4jmm6>.

Figure 2: ODA Spending on Peace and Security, 2004-2023



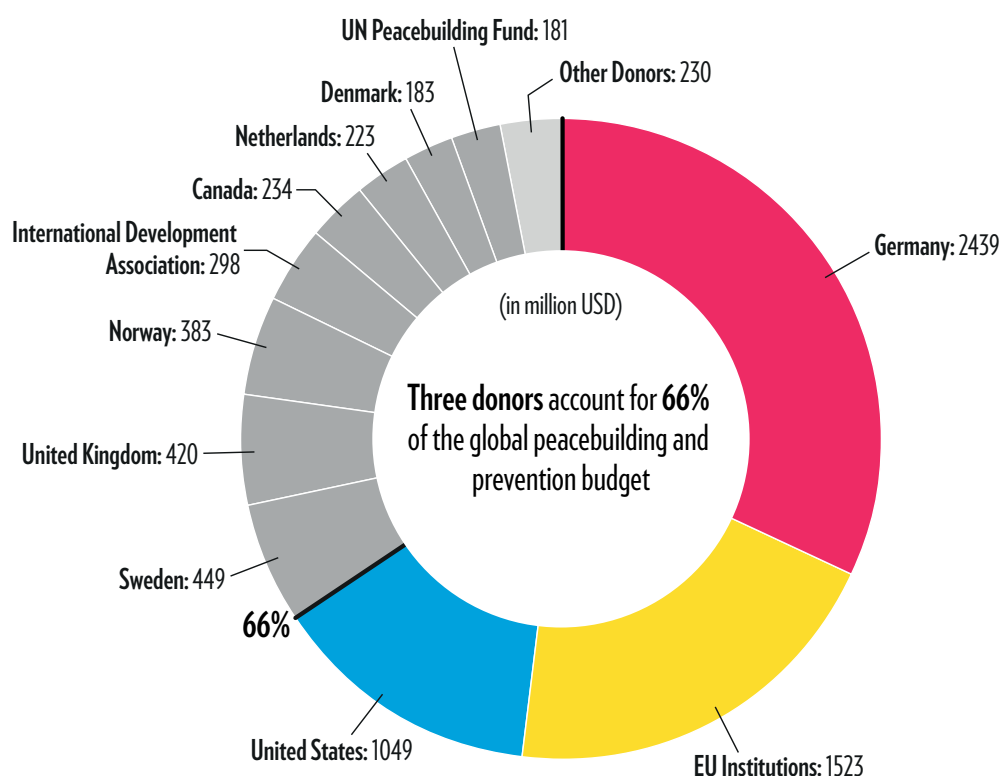
Total amounts, in billion USD, gross disbursements, 2022 constant prices. Source: OECD's Creditor Reporting System (CRS)

We noted in the introduction that we found that the result for our Governance and Conflict scopes largely mirrored our findings for Peacebuilding and Prevention. In this and the next chapter, we therefore will zero in on our narrowest scope and will only draw on the other two categories when results differ.

## Investments in peacebuilding and prevention are down, and will decline further

The massive expansion of investment in peacebuilding, stabilization and prevention that marked the first two decades of the twenty-first century is over. While general ODA continued to grow until 2023, spending for peace already began to shrink in 2019. Since then, peacebuilding budgets have been further compromised by massive cuts by some of the top donors (chiefly Germany and the EU), and most recently the Trump administration's order to gut USAID.

This downward trend is only slated to progress further. According to our estimates based on SEEK's Donor Tracker data, Germany reduced its contribution to peacebuilding and prevention by 21 percent in 2024 (compared to 2023). The EU similarly cut down its peace spending by 13 percent. While reliable 2025 data for the US is not yet available, both Germany

**Figure 3: Total Investment in Peacebuilding and Prevention by Donor, 2021-2023**

Total amounts, in million USD, gross disbursements, 2022 constant prices. Source: OECD's Creditor Reporting System (CRS)

and the EU have been implementing massive rounds of cuts again — a move echoed by many other donors.<sup>27</sup> These budget cuts are happening as violence increases and wars escalate. The direct consequences on human lives as well as the negative knock-on effects on funder interests will be severe.

This downward trend, starting shortly before the COVID-19 pandemic, holds water across all three of our categories of spending (Governance, Conflict and Peacebuilding and Prevention); across the board, aggregate investment peaked in 2018-19 and then decreased (with the minor exception of the widest measure, Governance, which slightly increased in 2023). These recent cuts come after years of growth toward far-reaching commitments made by world leaders at the UN. These commitments echoed economic estimates of what investments were needed to have a real impact in a field struggling with underfunding and fragmentation. These aspirations happened to align with powerful domestically-driven agendas such as counterterrorism and reducing migration — objectives that were widely understood to require sustainable stability.

The expansionary period (2004-2018) saw OECD Development Assistance Committee (DAC) donors ramp up their investments for peace and security by a measure of three to six times (depending on the scope used for the calculation). Many smaller donors started to contribute investments to a field that had previously been almost exclusively funded by the US. The UK, the EU and Germany emerged as top donors, each pledging investments on par with US funding. By 2016, Germany had even surpassed the US to become the world's largest funder of peacebuilding and prevention.

<sup>27</sup> For the calculation methodology, see the Annex. Gulrajani, 2025, "Donors In A Post-Aid World January 2025 update," has an overview of publicly announced aid cuts.

Only a small part of the recent funding cuts can be attributed to shrinking political spaces in countries like Afghanistan, Mali and Syria (although Syria is now eager to enter into new partnerships). To a much greater extent, they are driven by donor choices. The US and the UK both cut their peacebuilding investments in half between 2019 and 2022. Germany initially bucked that trend but started to make large cuts in 2023, which continued throughout 2024 and culminated in its current interim budget for 2025. The shutdown of USAID at the beginning of 2025 might well wipe out — and will sharply reduce, if nothing else — US investment in peace and security.

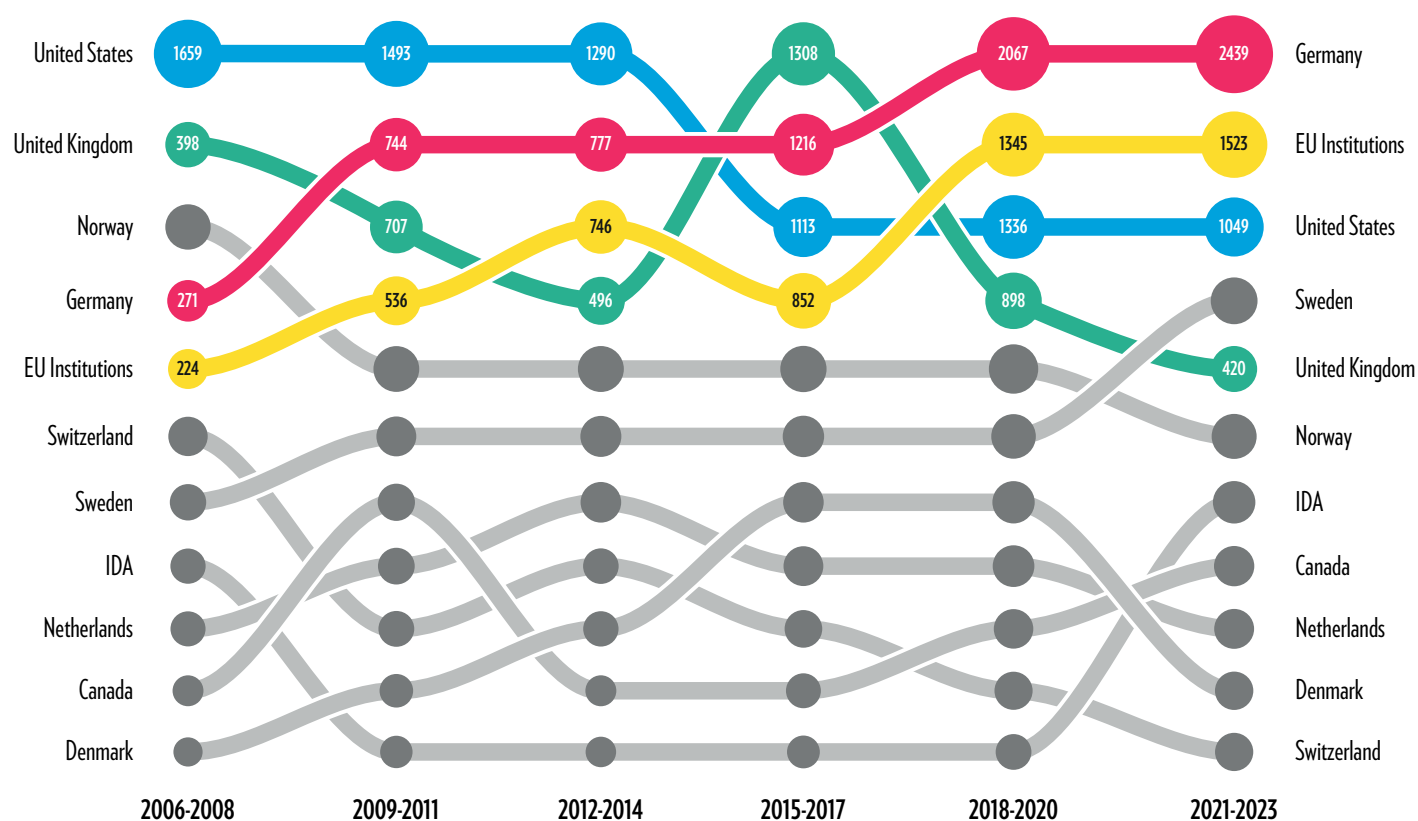
Breaking with a 15-year-old trend, the UK no longer features as a top donor.

Two-thirds (66 percent) of the investments in peacebuilding and prevention by DAC donors continue to be provided by only three funders: Germany, the EU and the US. Breaking with a 15-year-old trend, the UK no longer features as a top donor. Since its high point around 2016,

London cut its conflict investment by a staggering 75 percent — from an annual average of \$450 million in 2016-2018 to just over \$110 million in 2022-2024. Following this cut, the UK now annually spends less than Norway or Sweden.

Washington reduced its spending more gradually. On the eve of President Trump's second-term inauguration, US investments, by a 2024 estimate, netted a little over half of what the country invested around 2010 (from an annual average of almost \$500 million in 2010-2012 to \$285 million in 2022-2024). 2025, if President Trump's 90 percent reduction of US foreign aid is fully implemented for the peacebuilding and prevention field, would see this figure drop to about seven percent.

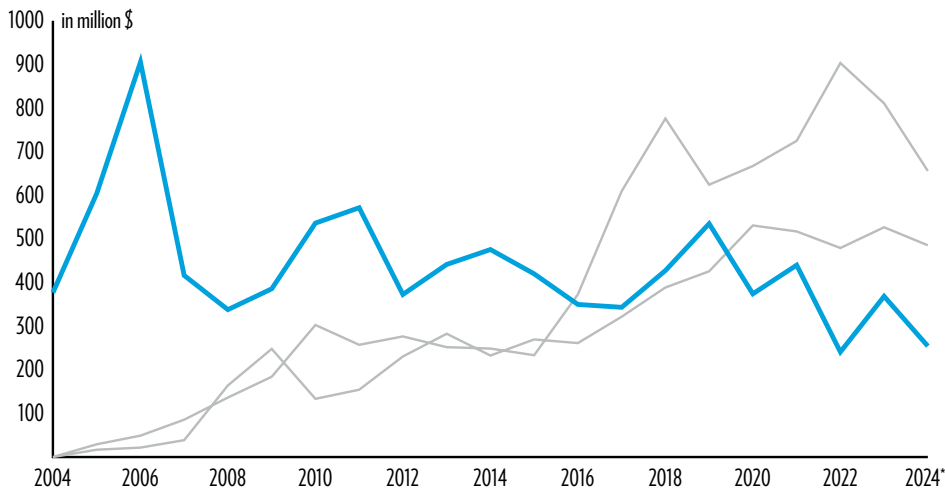
Figure 4: Top Donors to Peacebuilding and Prevention, 2006-2023



Total amounts, in million USD, gross disbursements, 2022 constant prices. Source: OECD's Creditor Reporting System (CRS)

Figure 5: Top Three Donors' Spending on Peacebuilding and Prevention, 2004–2024

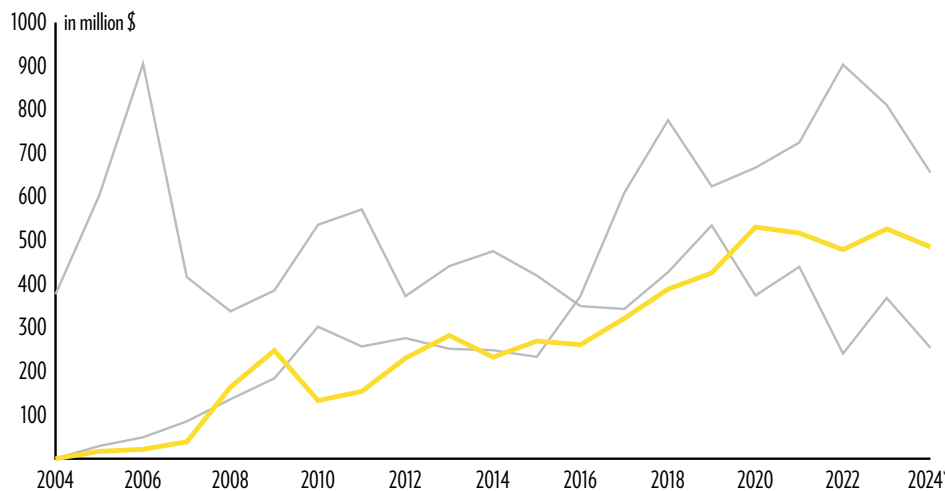
United States



Germany



EU Institutions

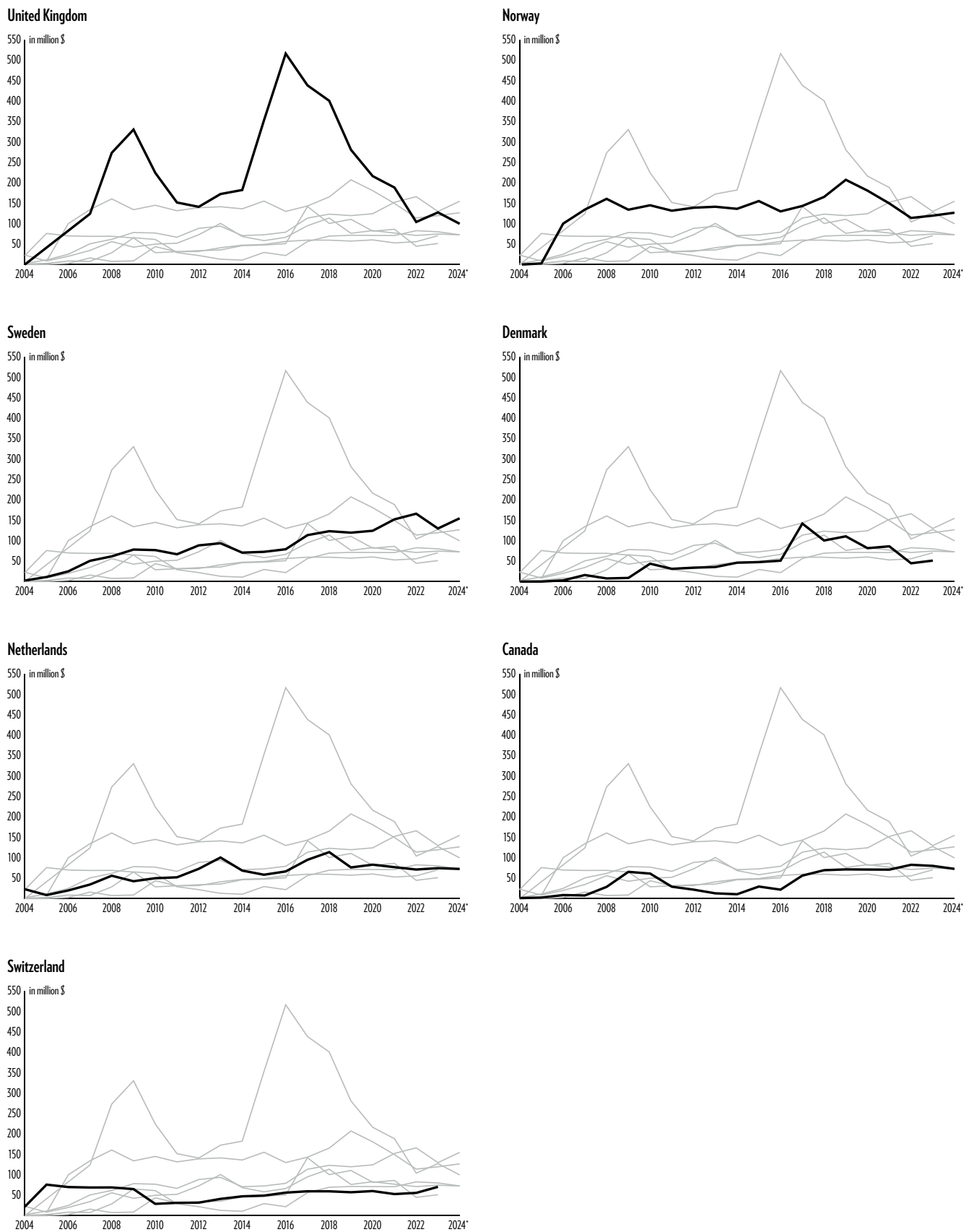


\*based on estimated data.

Total amounts, in million USD, gross disbursements, 2022 constant prices. Source: OECD's Creditor Reporting System (CRS)



Figure 6: Top Donors' Spending on Peacebuilding and Prevention, 2004-2024



\*based on estimated data.

Total amounts, in million USD, gross disbursements, 2022 constant prices. Source: OECD's Creditor Reporting System (CRS)

The EU's investments, in contrast, have remained stable since 2020, at about \$500 million annually — only for 2025 are we seeing indications of a massive drop.<sup>28</sup> Germany briefly surpassed the \$900 million mark in 2022 and has since implemented a series of massive cuts that will bring Berlin's peacebuilding and prevention investments down to the \$500 million mark in 2025 — a reduction of 40 percent in three years.

## Non-Western donors do not seem to be picking up the slack

A major argument in Western domestic budgetary discussions is about fair burden-sharing with other stronger economies such as Gulf states, Türkiye, Japan, South Korea, China, and India. The sobering reality is, however, that none of these countries seem to be picking up the slack on a global scale.

China and India do not report internationally comparable data to the OECD. China's headline-grabbing investments in Africa notably come in the shape of repayable loans rather than grants, and are aimed at infrastructure rather than frank political engagement as a way

OECD DAC donors provided \$59.4 billion

in aid to Sub-Sahara Africa in 2023.

China's African investments pale in comparison.

to confront violent conflict and promote good governance, security or peace. China's most recent offer for African governments — \$50 billion over the course of three years — is a case in point: only \$11 billion of that sum comes as anything other than repayable, interest-bearing loans, and even then, this sum is only vaguely designated and referred to as “various forms of assistance.” It will be a while until we will know what that means. A separately announced “global security initiative” put \$135

million on the table for military assistance and security training, meant to be rolled out over several years.<sup>29</sup> By means of — very rough — comparison: all OECD DAC donors taken together provided \$59.4 billion in aid to Sub-Sahara Africa in a single recent year (2023), and the US and European countries have announced more than \$360 billion in security aid to Ukraine alone since 2022.<sup>30</sup> China's African investments pale in comparison. And while some experts have suggested that China may already be trying to jump into the void left by USAID in places such as Nepal and the Cook Islands, the available reporting shows that, once again, China is engaging in building infrastructure, not peace.<sup>31</sup>

India lags far behind China in overall foreign assistance. Non-military security or peace spending hardly feature in available analyses of New Delhi's priorities, and the overall scope of its grants have declined since a temporary high point in 2013-2016.<sup>32</sup>

Japan and Korea, both OECD donors, invested very small amounts in peacebuilding and prevention. On average, each state only spent a little over \$5 million on peacebuilding and prevention in the past five years. This calculated average does not show Korea's increase in spending over these five years, initially pledging much less than \$5 million annually but eventually reaching \$11 million by 2023. Japan's spending, on the other hand, saw a drop in 2021 and 2022, before rising to slightly over \$8 million in 2023.

<sup>28</sup> Watson and Friedrich, 2024, “A Growing Gap.”

<sup>29</sup> France24, 2024, “China to give Africa \$50 billion over next three years, says Xi Jinping,” accessed December 18, 2024, <https://tinyurl.com/ms68vhhm>; Adeniyi, Kabir, 2025, “China to help Africa build rapid response force to tackle insecurity, says foreign minister,” *Anadolu Agency*, accessed December 2, 2024, <https://tinyurl.com/4ejb4e8v>.

<sup>30</sup> Trebesch, Christoph, Irto, Giuseppe, Nishikawa, Taro, 2025, “Ukraine Support Tracker,” *ifw Kiel*, accessed January 2, 2025, <https://tinyurl.com/5pnk8bew>.

<sup>31</sup> Gramer, Robbie, Bazail-Eimil, Eric, Kine, Phelim, 2025, “As USAID retreats, China pounces,” *Politico Newsletters*, accessed January 15, 2025, <https://tinyurl.com/4tfh69cp>.

<sup>32</sup> Nainar, Ammar, 2024, “India's Foreign Assistance: Trends, Processes, and Priorities,” *Observer Research Foundation*, accessed February 11, 2025, <https://tinyurl.com/2mzsdknt>.

There are also a handful of relevant aid providers that are not members of the OECD's Development Assistance Committee but that do report data to the OECD — primarily Türkiye and the Gulf states. For these states, we do see large increases in spending toward the end of the 2010s. While these countries have become incredibly important actors in particular areas of conflict (Syria comes to mind), in absolute numbers their peace and security investments remain inconsequential. The two largest investors from that group, Saudi Arabia and Türkiye, recently reached a joint level of conflict investment that equals Denmark's spending on the much narrower metric of peacebuilding and prevention alone. It is, however, important to note that this assessment is based on the data these governments provided to the OECD, which may not be comprehensive.

## Preventive investments are down sharply

Estimates of preventive investments (separate from money to manage active violent conflicts) are only available for every second year in the period between 2015 and 2023. In that period, we initially observed a slow but significant global increase in estimated numbers, from between \$694 million and \$753 million in 2015 to slightly over \$1 billion in 2021.<sup>33</sup> While tangible and potentially impactful (but not allocated very well, as we found in our 2021 study), this rise in preventive spending was less stark than the rise in reactive spending on acute crises. This means that the relative share of preventive spending amid all peacebuilding investments has already declined — and this decline became even more severe by 2023, when absolute numbers plummeted by around 30 percent compared to 2021.

Most recently, global investment in prevention has dropped to the level of 2015: we estimate that it is to the tune of \$635-\$845 million for 2023, an estimate with a larger uncertainty. To estimate prevention investments, we filtered peacebuilding and prevention spending by using the OECD category of “security fragility.” If a country is classified as highly security-fragile during a particular year, we take it as being in acute crisis. If it is classified as less security-fragile, we interpret it as a likely case for prevention. The spread between our low and high estimates goes back to two different ways of accounting for project spending reported as flowing to “regional” and “unspecified” groups of countries. The annex explains the methodology in greater detail, which we had originally developed for our previous study, *Follow the Money: Investing in Crisis Prevention* (2021).

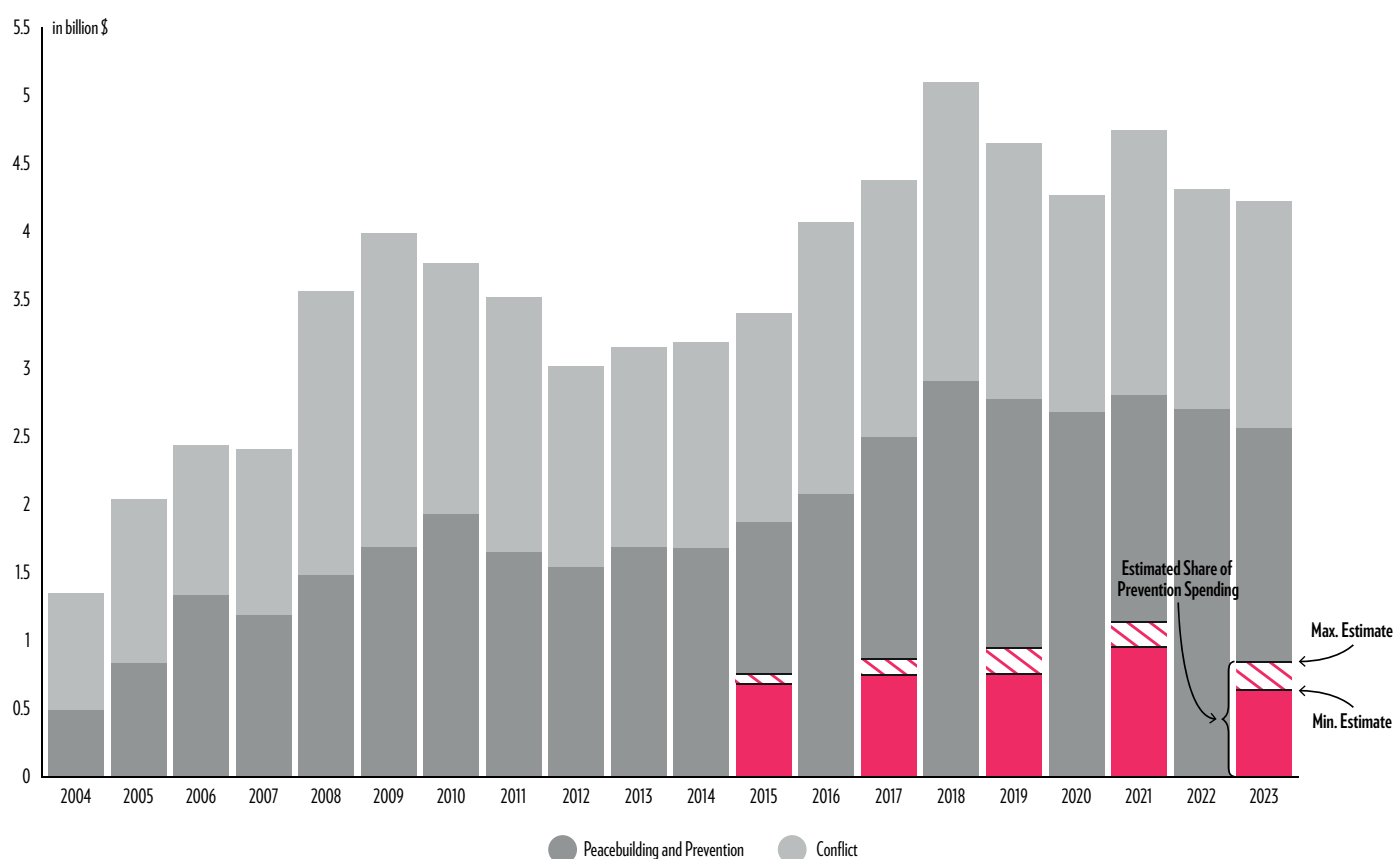
Global investment in prevention

has dropped to the level of 2015.

For their 2018 landmark study *Pathways for Peace*, the UN and the World Bank estimated that effective crisis prevention would require between \$2.5 billion and \$5 billion global investment per year — three to eight times as much as what we estimated was actually spent for 2023 (using much narrower metrics).<sup>34</sup> To determine how much prevention is necessary, the model underlying this study, developed by economist Hannes Mueller, follows a method of prioritizing investments in the countries where violence is most likely to escalate, rather than broadly spreading investments across all fragile countries. This assumption is not what we find in the spending data, so the current state of underinvestment is not a matter of money alone; it is also about *how* that money is spent.

33 The slight decrease we observed in the shares of donors' peacebuilding and prevention budgets between 2015 and 2019 (Rotmann, Li, Stoffel, 2021, “Follow the Money,” p. 26) turns out to have been due to exchange rate changes.

34 United Nations and World Bank, 2018, *Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict*, Washington, DC: World Bank, <https://tinyurl.com/3u5zutt6>; Mueller, Hannes, 2017, “How Much is Prevention Worth?,” *The World Bank*, accessed September 28, 2024, <https://tinyurl.com/4ay7vz5e>.

**Figure 7: Global ODA-Compliant Conflict Spending With Estimate for Investments in Prevention Alone, 2004–2023**

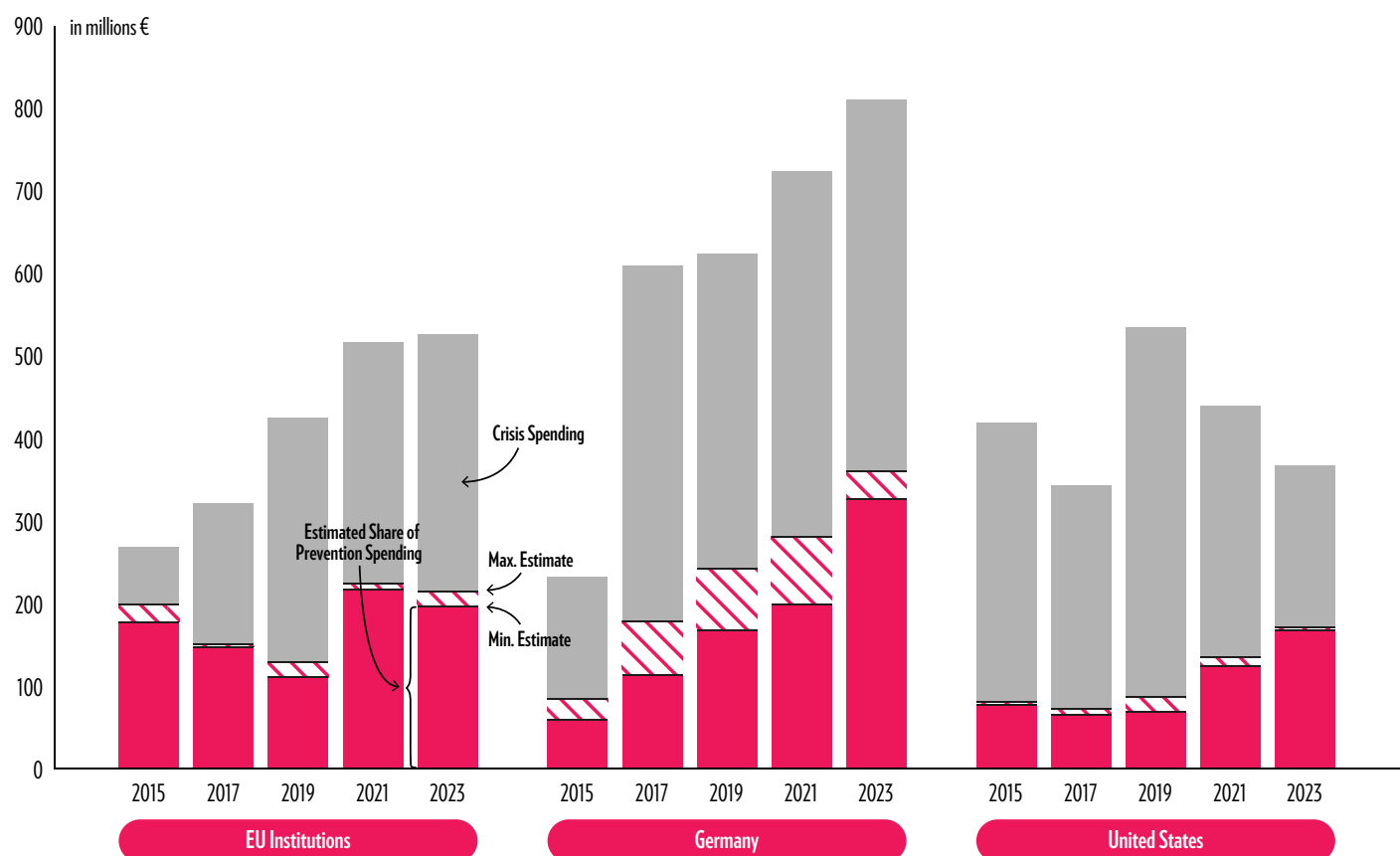
Total amounts, in billion USD, gross disbursements, 2022 constant prices. Source: OECD's Creditor Reporting System (CRS)

At the same time, Mueller does not assume that peacebuilding and prevention projects are the only efforts that can make a positive difference. His model considers macro-financial assistance and various other types of investment equally valid to projects (under the OECD categorization), as long as they were strategically targeted at preventing an outbreak of large-scale violence. From this perspective, our estimate might be the one that underrates relevant preventive investments. Barring more precise models, our takeaway for donors would be that more money is almost certainly an absolute requirement for greater preventive success — and better targeting is, too.

On the upside, if we follow this UN/World Bank model's broader understanding of preventive spending, the world is probably not that far away from reaching critical mass — but doing so would require mobilizing many more donor governments than the few that are currently carrying the lion's share of this burden.

## 2021 figures reflect unusually high investments in Ukraine and Kosovo

A closer look at the data indicates that the 2021 spike in preventive investments is tied to two distinct and special cases. The first case is Ukraine, where the EU and the US provided exceptionally large investments in civilian peacebuilding and prevention efforts during the year before the full-scale invasion began. In the EU's case, around \$30 million was spent via the EU Advisory Mission (EUAM) on civilian security sector reform and the Organization

**Figure 8: Estimated Investments for Crisis Prevention, Top Three Donors, 2015-2023**

Total amounts, in million USD, gross disbursements, 2022 constant prices. Source: OECD's Creditor Reporting System (CRS)

for Security and Co-operation in Europe's (OSCE) Special Monitoring Mission. The US spent about \$20 million more on Ukraine than during previous years but, as they did not make any additional project information publicly available ("to protect implementing partners or the national security of the US"), the purpose of these projects remains undisclosed.<sup>35</sup>

The second case is Kosovo. Two projects seem to have increased preventive spending in Kosovo: the establishment of the Kosovo Specialist Chambers (a hybrid international war crime court, located in The Hague but counted under OECD rules toward peacebuilding in Kosovo), a one-off expansion of the EU Rule of Law Mission (EULEX) Kosovo. In total, these initiatives added \$57 million to the small country's peacebuilding and prevention figure — which usually amounts to only \$5 million per year. Investments promptly dropped back to this level once these projects were finalized.

Given the fact that neither Ukraine nor Kosovo were classified as fragile states in the OECD report *States of Fragility* (for the year 2021), we decided to count these investments as preventive, rather than in response to an acute crisis.

35 USAID and Department of State, "ForeignAssistance.gov," accessed February 20, 2025, <https://tinyurl.com/3dusxxyz>.

## Donors continued to invest 3-5 times more in acute crises than in prevention

Our broader observation remains the same as in 2021: donors consistently invested three to five times more in states in acute crisis than in less fragile countries (across our different metrics). This means that they were much more likely to spend money on managing, stabilizing or resolving wongoing violence than on preventing new escalations. We estimate that 2023 global prevention spending adds up to an amount between a quarter and a third of the total DAC peacebuilding and prevention spending. And when we compare this prevention spending to the broader category of conflict spending, it amounts to less than one-fifth (15-20 percent), shown in Figure 7. The rest, the lion's share of conflict-related ODA spending, goes toward managing acute crises, peacekeeping and other conflict-related spending — despite the established rule of thumb that prevention is cheaper than response, a consensus amplified by the UN/World Bank *Pathways for Peace* report and backed by considerable amounts of evidence.<sup>36</sup>

Figure 8 shows our estimate for which amounts of those investments by the top three OECD donors were directed at crisis prevention. For Germany, the largest funder, we arrive at a range of \$123–249 million in 2023, which amounts to between 15 and 31 percent of Germany's total ODA for peacebuilding and prevention. A sidenote on the unusually large difference between our low (\$123 million) and high (\$249 million) estimates: this is a result of Germany's tendency to invest in multi-country projects, which makes it difficult to break down money flows to particular countries.

The EU used to spend an almost even amount of money on prevention and reaction, but has since cut its preventive investments, while increasing its spending on acute crises. As a result, the preventive share has fallen to between a quarter and a third of the all-donor average. Comparatively, our 2023 US estimate landed at around 30 percent of all investments flowing into 'preventive' countries. Here, the spread in our estimate was almost non-existent because US spending is almost entirely allocated to individual countries.

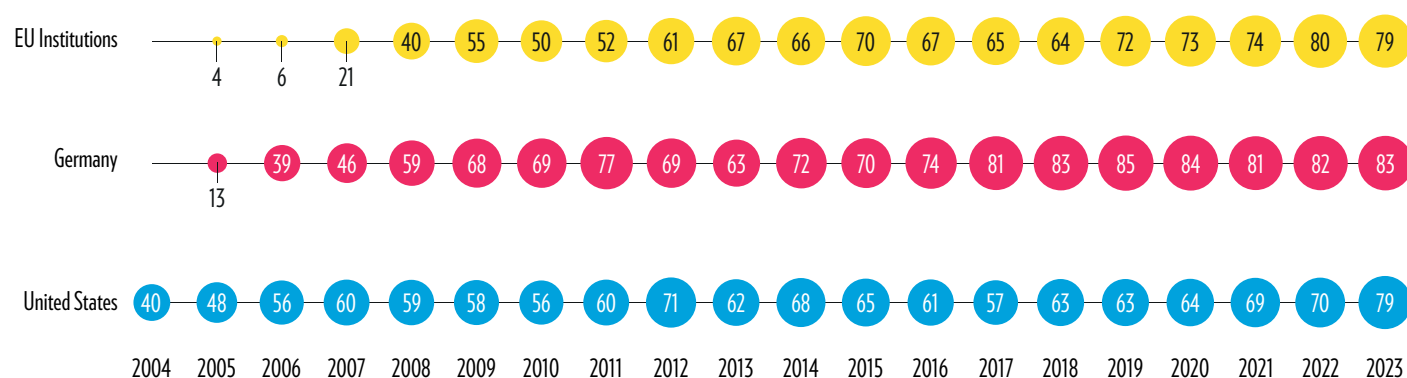
## Where and how are the key donors investing in peacebuilding and prevention?

Donors' scattershot approach persists, as numbers of country portfolios have risen further

Confronted with many hotspots and dealing with a limited budget, portfolio allocation is a major strategic challenge for any donor — even more so in times of rapidly shrinking budgets. In our previous analysis with data running until 2019, we discovered a huge number of country portfolios that signaled a largely unstrategic, scattershot approach to allocating limited resources. In addition to some regional and multi-country projects, every top three donor spread their investments over more than 60 countries, with Germany's investments being the most spread out over 85 countries. Among the mid-sized group of donors, the number of country portfolios differed quite a bit, with Switzerland maintaining

All top three donors spread their investments over more than 60 countries.

36 United Nations and World Bank, 2018, *Pathways for Peace*.

**Figure 9: Number of Peacebuilding and Prevention Country Portfolios, Top Three Donors, 2004-2023**

Source: OECD's Creditor Reporting System (CRS)

almost as many portfolios as Germany, while the Netherlands and Denmark focused on fewer than 30 countries. Sweden and Canada recently consolidated their investments to target fewer countries, while the US and the EU added more countries.

As of 2023, the top three donors — Germany, the EU institutions and the US — tried to promote peace in between 79 and 83 countries each. Germany and the US invested in more than twice as many “moderately fragile” countries (as classified by the OECD) than those counted as “severely fragile.” The EU, on the other hand, spent money in a larger number of acute crisis cases than preventive ones.

## Country portfolios continue to be small in monetary value, but Germany and the EU have sharpened their geographic focus

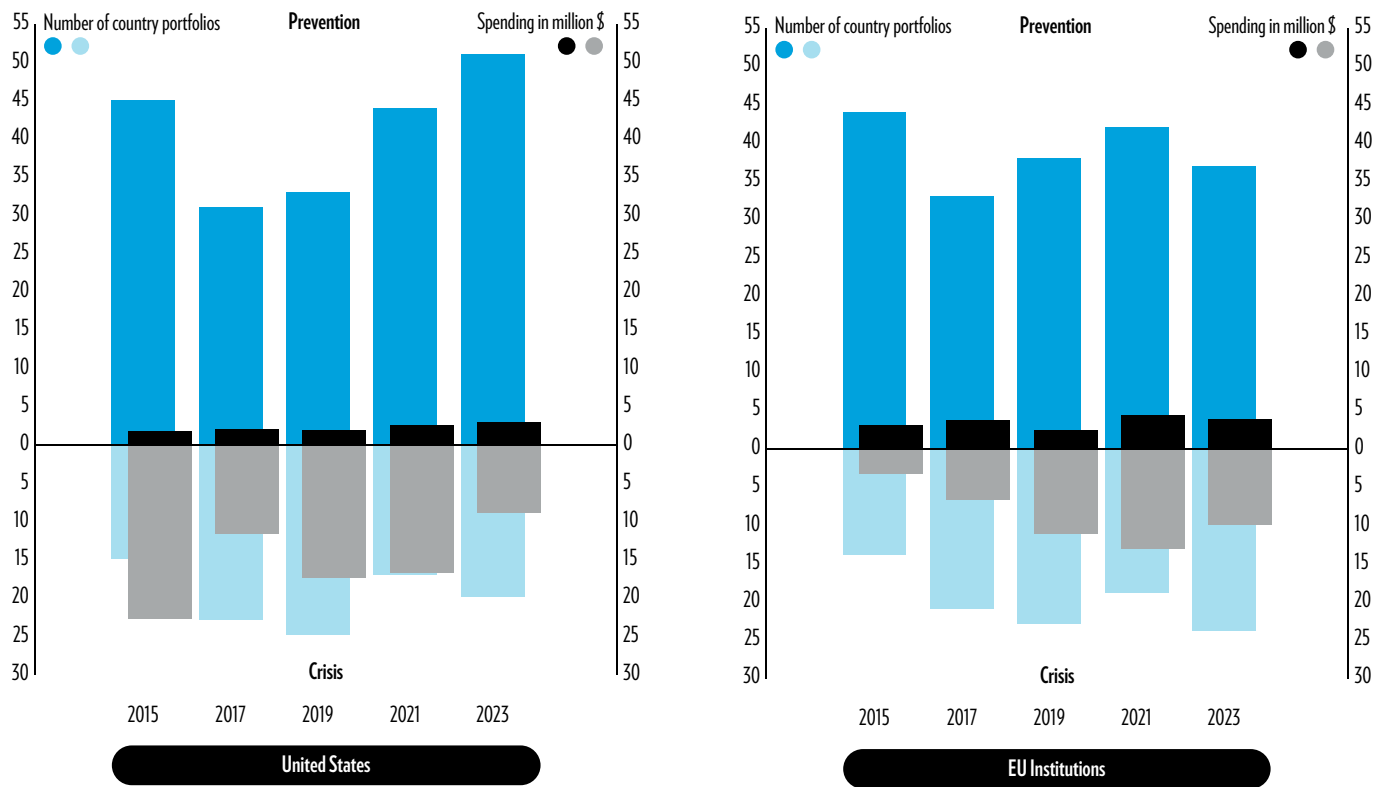
All the concurrent projects from a single donor in the same country or region are what we call this donor's country or regional portfolio. Portfolio sizes give us insight into the type of impact donors expect in a particular area. In line with our findings that donors typically spread their investments over a large number of countries, we observed that individual bilateral projects tended to receive only small amounts of funding, while absorbing a lot of administrative effort. In 2021-2023, two-thirds of individual donor countries' bilateral peacebuilding and prevention portfolios were smaller than \$1 million per year, often split further between several projects. For the top three donors, this was less often the case, but still quite common (46 percent). Within the realm of prevention spending, such a trend was more likely than when looking at acute crisis response spending.

In fact, donors' average spending per country did not change much between 2015 and 2023. Germany spent around \$1 million annually, the US around \$2 million and the EU around \$3 million. However, average portfolio sizes differed massively between preventive cases and acute crises. In acute crises, the top three donors averaged an annual amount between \$11 and 17 million per recipient country (2023). In contrast, the average ‘prevention country’ received between \$1 and \$4 million per year from each of the top three.

In this period, Germany managed to increase its focus on priority investments. In 2023, twelve high-priority countries and three prevention cases received annual investments that were over \$5 million, up from just five acute cases and one prevention case in 2015. The average investment for countries in acute crisis rose to \$17 million, compared to \$13 million

Figure 10: Investment Portfolios in Prevention vs. Acute Crisis Countries, Top Three Donors, 2015-2023

Continued on next page.



Total amounts, in million USD, gross disbursements, 2022 constant prices. Source: OECD's Creditor Reporting System (CRS)

in 2021 and \$8 million in 2019. Compared to its earlier, more scattershot approach, it is clear from these numbers that Germany ramped up spending on the top 20 percent of its priority countries, while reducing the number of mid-sized investments. The number of portfolios below \$1 million went down to three in acute crises but back up to 34 in prevention cases (2023).

The EU followed a similar approach to Germany's but consolidated its spending mainly in the area of prevention; less so when it came to acute crises. In contrast, the US further fragmented its portfolios. All three donors will be important to watch as they implement further large

budget cuts; the challenge will be to maintain strategic focus and avoid cuts so broad that they weaken impact in most countries.

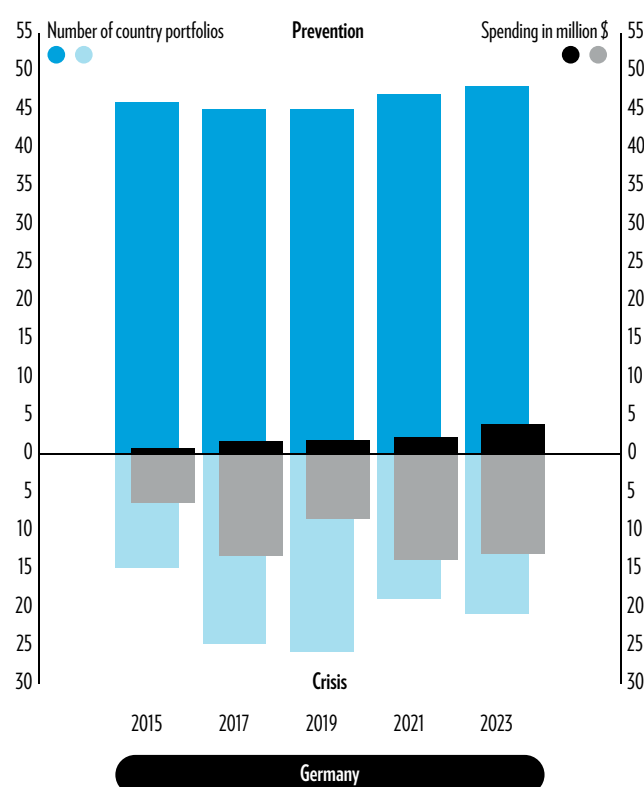
Running parallel projects in the same country  
is unlikely to boost impact if these projects  
fail to achieve collective scale.

Running parallel projects in the same country is unlikely to boost impact if these projects fail to achieve collective scale. While donors often work together to maximize impact, there is little evidence that such coordination is profound enough to significantly improve outcomes. In

2023, even among the top ten donors, more than a quarter of recipient country peacebuilding and prevention portfolios (27 percent) were smaller than \$1 million. Over two-thirds (68 percent) were under \$10 million per year, typically split among up to ten donors, and therefore often distributed across ten or more separate projects. Given that these donors support roughly 80 recipient countries (as noted in the previous section), this means that in dozens of nations, external governments attempt to promote security, stability, and peace — while allocating only a few hundred thousand dollars per country per year, including administrative costs.



Figure 10, continued from previous page.



Total amounts, in million USD, gross disbursements, 2022 constant prices. Source: OECD's Creditor Reporting System (CRS)

The remaining third of recipient countries — about 30 nations where the top ten donors collectively spend \$10 million or more per year — is the locus where genuine opportunity to achieve peacebuilding or prevention impact resides (if key donors manage to collaborate effectively). However, \$10 million is most likely far too low to make any significant difference and therefore our cutoff is too generous to donors. This is partly due to the limited evidence for effective donor coordination. More fundamentally, however, many of these projects are not sufficiently focused on the key leverage points where external assistance can actually help local change-makers make progress in a pro-peace, pro-security and pro-stability direction, as we found in our 2021 case study series.<sup>37</sup>

Still, these indicators have developed in the right direction since we last published this analysis. The percentage of minuscule investments (less than a total of \$1 million, from all the top donors together) has fallen from 50 percent of all portfolios in 2019 to 27 percent. Simultaneously, the number of priority countries that receive over \$10 million in investments has grown, signaling greater funding focus. It is also worth noting that certain priority contexts (Lake Chad Basin, Central Sahel region) receive extra funding that is not included in the numbers stated above. Often, donors will run multi-country and regional projects. Since they do not release comparable data, we could not include these investments in our calculations.

Donor investment is not the only factor that can help secure peace in a region; many other types of projects as well as diplomatic engagement are often working toward the same

37 Rotmann, Li, and Stoffel, 2021, "Follow the Money," pp. 34-65.

goal. We are not suggesting that every single case of top ten donors jointly investing less than \$1 million in a country (25 countries, in 2023) was bound to fail in reaching its desired impact. There may have been other relevant investments outside the narrow DAC category for peacebuilding and prevention, money spent by actors other than the DAC donors, or non-monetary engagement that were able to happen through the support of these small investments. Our indicators do not provide a comprehensive portfolio analysis — but they suggest that these questions are worth asking. Donors appear to believe that they can have a substantive preventive impact on countries with extremely small and insufficient donations, like spending a ‘grand total’ of \$280,000 annually in Cambodia, \$150,000 in Sierra Leone, or \$60,000 in Nicaragua.

Since we last reported these figures in 2021, broader regional investment patterns have shifted; first toward Sub-Sahara Africa (mainly West and West-Central Africa) and away from the Middle East, then toward Europe (Ukraine), and then away again from Sub-Sahara Africa. Among the top donors, the US has been the exception to the rule in maintaining larger investments across Asia (Pakistan, Myanmar) compared to the European funders. Within the 2021-2023 average, donor priorities are clear: all donors taken together spent more than \$100 million per year on each of just four countries — Ukraine, Iraq, Syria, and the Democratic Republic of Congo. Six additional countries received investments in the \$50-100 million range — Afghanistan, Colombia, South Sudan, Somalia, Mali, and Niger.

# **FOLLOW THE MONEY AND POWER:** LOCAL PEACEBUILDING

In this chapter, we turn our attention to donors' efforts to localize peacebuilding and prevention by shifting money and power to local actors. We have identified localization as another building block for successful peacebuilding. As research shows, it is both morally 'the right thing' to do and can help reduce costs — and in those ways, can better ensure long-term stability. Our analysis is divided into three parts. In the first section, we delve into donors'

We're not only interested in the amount of  
funding local partners receive,  
but also the type of funding.

written commitments to the local peacebuilding agenda — are they indeed 'walking the talk' by turning their words into actions? Or are they merely stating an intent to localize? To gauge this, we reviewed the major donors' policy and strategy documents, including those from Australia, Canada, Denmark, EU institutions, Germany, Netherlands, Norway, Sweden, Switzerland, UK, and the US.

In the second section, we use OECD data to examine how the material aspect of localization — the shifting of resources — developed globally over the period from 2004 to 2023. What portion of their peacebuilding aid do donors localize? How do they pursue localization in their funding for peacebuilding projects? And to what extent do donors' spending patterns overlap or diverge? To measure these elements, we use the somewhat crude benchmark of direct local funding: we use the OECD data to check who is the first recipient of donors' funding (by looking at the OECD "channel of delivery" section). Aid going to recipient governments, local governments, public entities, or local civil society organizations counts as direct local funding. Aid to multilateral institutions, international NGOs and donor governments, however, does not.

We're not only interested in the *amount* of funding local partners receive, but also the *type* of funding; we distinguish mainly between project funding and core funding. According to the OECD, project funding offers more control to donors, whereas core funding can be more in line with local partners' priorities. In this way, donors' willingness to engage in providing core funding (as opposed to project funding) can be seen as a measure of their shifting of decision-making power to local actors. The detailed methodology can be found in the Annex.

It is important to keep in mind that our analysis of direct funding flows provides only limited insight into how the relationships between donors and local actors work in practice. However, it is still imperative to crunch the numbers, as localization advocates argue for increasing direct and more sustainable funding modalities (so, core funding). In response, many donors have committed to channeling aid "as directly as possible"; in the case of the US, they have even drawn up a direct funding target.

In our third section, we go beyond the numbers by investigating how localization plays out in practice, focusing on power dynamics in peacebuilding programs. Who holds decision-making power in local peacebuilding programs? How do different actors — local civil society, government institutions, intermediary organizations, and donors — shape the implementation process? To answer these questions, we conducted research in four countries, including 50 in-person and remote interviews with a total of 69 stakeholders. Most of these interviews were conducted by our own team; in Côte d'Ivoire, however, we collaborated with Affou Nochiemi Koné for interviews with local civil society actors.

In terms of donors' commitments, we have found that big donors vary greatly in their written commitment to local peacebuilding, despite many acknowledging the relevance of local actors. Among the top three, only the US (under the Biden administration) was highly committed to shifting power and resources to local actors.

In terms of shifting resources and power (see section two), we conclude that donors allocate very little of their peacebuilding aid directly to local actors. Of the money they *do* send to local actors, most goes to recipient government institutions rather than local civil society. While direct funding is rare, donors do very frequently engage local actors in their peacebuilding

efforts; they turn to local actors for their work as implementers, partners, or advisors. Instead of funding them directly, donors often rely on intermediary organizations with greater capacity to handle budgetary and administrative tasks. As a result, local actors do still receive funding, but only after a portion has already been used to cover intermediary costs, ultimately reducing the portion local actors receive.

When local actors receive direct funding, it is almost always project-based (rather than core funding), limiting their flexibility to set their own priorities. According to the OECD, project funding often aligns spending more with donor interests. In practice, however, we found that local actors' influence over peacebuilding efforts can vary significantly and can be higher than expected, even within project-based funding structures.

A final finding: hierarchy matters — the lower local partner existed within the implementation chain, the less influence they had. Those at the very bottom of the chain were not compensated for their work at all.

## How do donors want to promote local peacebuilding?

All big DAC donors recognize the limitations of national and multilateral aid agencies, as well as those of international NGOs; they all acknowledge the need to work with local actors in several ways. In principle, all DAC donors subscribe to some version of the local peacebuilding agenda. Commitments to local ownership, to strengthening and collaborating more with civil society actors, and to listening to local priorities are everywhere. For example, USAID “recognizes that local leadership and ownership are essential for fostering sustainable results across our development and humanitarian assistance work.”<sup>38</sup> In its 2017 peacebuilding guidelines, Germany states that it “carefully considers the ideas, perspectives and needs of people in societies affected by conflict.”<sup>39</sup> The EU asserts that “[w]orking with local actors in

All DAC donors subscribe to some version of the local peacebuilding agenda.

partner countries and reinforcing their capacities is a cornerstone of any conflict prevention and peacebuilding strategy.”<sup>40</sup> Similar references can be found in strategy documents of other relevant peacebuilding donors.<sup>41</sup>

When it comes to specific commitments to donating money directly to local actors (without going through international intermediaries) or to shifting decision-making power to them, donor positions vary.<sup>42</sup> For this analysis, we selected the 10 biggest peacebuilding donors, as identified by our quantitative analysis in our second chapter: Canada, Denmark, EU institutions, Germany, Netherlands, Norway, Sweden, Switzerland, UK, and the US. We also included Australia in our analysis, as the country was highlighted as being strongly committed to locally led development.<sup>43</sup>

38 USAID, 2022, “What is Locally Led Development. Fact Sheet,” accessed December 5, 2024, [https://www.usaid.gov/sites/default/files/2022-12/What\\_is\\_Locally\\_Led\\_Development\\_Fact\\_Sheet.pdf](https://www.usaid.gov/sites/default/files/2022-12/What_is_Locally_Led_Development_Fact_Sheet.pdf).

39 Translated by author. German government, 2017, “Krisen verhindern, Konflikte bewältigen, Frieden fördern,” accessed December 7, 2024, <https://tinyurl.com/mry984ff>.

40 European Commission, “Multi-annual indicative programme. NDICI-Global Europe — Thematic Programme on Peace, Stability and Conflict Prevention 2021-2027,” accessed December 16, 2024, <https://tinyurl.com/4bwpkdr3>.

41 Government Offices of Sweden/Ministry of Foreign Affairs, “Strategy for Sustainable Peace 2017-2022”; Swiss Federal Department of Foreign Affairs, 2020, accessed December 17, 2024, <https://tinyurl.com/yc3w7a36>; Norwegian Ministry of Foreign Affairs, 2024, “Hallmarks of Norway’s peace and reconciliation work,” accessed November 20, 2024, <https://tinyurl.com/2s4z2jes>; Australian Department of Foreign Affairs and Trade, 2023, “Australia’s International Development Policy. For a Peaceful, Stable and Prosperous Indo-Pacific,” <https://tinyurl.com/353ny4x4>.

42 This assessment is based on a review of publicly available policy and strategy documents on development/international cooperation (which often includes peacebuilding), partnering with civil society and more specific documents on peacebuilding.

43 OECD, 2024, “Pathways Towards Effective Locally Led Development Co-operation. Learning by Example,” accessed January 2, 2025, <https://tinyurl.com/5fprbjx5>.

From 2021 onward, the Biden administration made the US the global forerunner of localization among major donors. USAID is the only top donor to have committed to a localization target of 25 percent, to be reached by 2025 in all their programs, including peacebuilding activities.<sup>44</sup> In addition to this financial target, the agency's administrator Samantha Power also promised that, by 2030, "at least half of USAID programs will promote space for local actors to exercise leadership over priority setting, activity design, implementation, and defining and measuring results."<sup>45</sup> In the past years, USAID has worked to operationalize its localization approach, to

The Biden administration made the US the global forerunner of localization among major donors.

establish a measurement framework and to put localization into practice in their programming.<sup>46</sup> However, in April 2024, Power acknowledged that USAID would not be able to meet the initial goal by 2030.<sup>47</sup>

At the time of writing this study, 21 bilateral donors and 26 private foundations have endorsed USAID's 2022 *Donor Statement on Supporting Locally Led Development*. In this document, they pledge to strengthen their efforts to support locally led development, humanitarian action and peacebuilding, to "[s]hift and share power, . . . [w]ork to channel high quality funding as directly as possible to local actors, [and] [p]ublicly advocate for locally led development."<sup>48</sup> Notably, out of the 12 DAC donors we examined, only Germany and the EU — the biggest peacebuilding donors — have not endorsed the donor statement.

Even among the signatories of the US-led donor statement (henceforth, the Donor Statement), the level of commitment to local peacebuilding differs. Alongside the US, we found that Australia, Denmark, the Netherlands, Norway, and the UK show the strongest commitments of all the DAC members. Not only did they all pledge to shift power and resources to local actors in this USAID-led statement, but they have since adopted similar language in other relevant documents related to the topic of supporting local leadership and ownership.

The Netherlands, for example, outlines in its *Grant Policy Framework Contributing to Peaceful and Safe Societies 2024-2031* that peace and security activities "are most relevant and effective if they are locally led and adaptive."<sup>49</sup> They even attach a funding target for this specific grant, since "no less than 50% and no more than 75% . . . should be earmarked for country-level adaptive, locally led programming."<sup>50</sup> Similarly, Norway also addresses power imbalances in the Norwegian Agency for Development Cooperation's (Norad) guiding principles for supporting civil society. The UK's 2023 *White Paper on International Development* emphasizes that they will "work towards a more inclusive and more locally-led

44 USAID, 2023, "FY 2020-2022 Localization Progress Report," accessed November 13, 2024, [https://www.usaid.gov/sites/default/files/2023-06/FY%202022%20Localization%20Progress%20Report-June-12-23\\_vFINAL\\_1.pdf](https://www.usaid.gov/sites/default/files/2023-06/FY%202022%20Localization%20Progress%20Report-June-12-23_vFINAL_1.pdf).

45 USAID, "Progress Report," accessed December 3, 2024, <https://www.usaid.gov/localization/progressreport>.

46 Gawel, Anna, 2024, "Devex Newswire: USAID's latest localization numbers fall flat," *Devex*, accessed January 3, 2025, <https://tinyurl.com/4u7bf5by>.

47 Igoe, Michael, 2024, "Localization 'lagging' on bulk procurement, says USAID chief," *Devex*, accessed October 1, 2024, <https://tinyurl.com/55n7y6rh>.

48 USAID, "Donor statement on supporting locally led development," accessed October 5, 2024, <https://www.usaid.gov/localization/donor-statement-on-supporting-locally-led-development>.

49 Government of the Netherlands, 2023, "Programme grant Contributing to Peaceful and Safe Societies 2024-2031," accessed November 12, 2024, <https://tinyurl.com/3v9hdndk>.

50 Government of the Netherlands, 2023, "Programme grant Contributing to Peaceful and Safe Societies 2024-2031." <https://www.government.nl/documents/decrees/2023/11/09/subsidy-framework-contributing-to-peaceful-and-safe-societies-2024-2031>

approach.”<sup>51</sup> This seems to be a notable shift away from the former UK government. Under Prime Minister Boris Johnson; earlier documents such as the 2022 *Strategy for International Development* had not endorsed this ‘locally led’ principle.<sup>52</sup>

One tier down from this group of ‘top committers,’ Canada, Sweden and Switzerland fall into the middle camp regarding their levels of commitment to local peacebuilding. All of these ‘middle committers’ have endorsed the Donor Statement but their language in other relevant policy documents does not reflect the same willingness to transfer power and resources to local actors. Although we did find a handful of references to local ownership or leadership, these donors mostly frame their partnerships with local actors as collaborative, which, in the best-case scenario, might look like donors and local actors co-leading programs, instead of local actors clearly taking the lead. For example, Sweden highlights that “[l]ocal ownership is a prerequisite” for sustainable impact but then mentions that “local civil society organizations can be crucial to *implementing* [emphasis added]”<sup>53</sup> programs, thereby reducing the role of these actors to that of mere implementers.

Since Germany and the EU did not endorse the Donor Statement, it is not surprising that these two donors show relatively low commitment to localization in their own policy documents. While Germany acknowledges the important role that local state and non-state partners play in providing access to and enabling external support (for example, in its 2017 inter-ministerial *Guidelines on Crisis Prevention, Conflict Resolution and Peacebuilding*), the donor seemingly considers local actors to be “implementing partners.”<sup>54</sup> What’s more, Germany sees their role as being “involved” rather than taking the lead in peacebuilding projects.

Similarly, the EU does not emphasize local ownership or leadership — except in its *Global Strategy* (2016), a high-level document barely concerned with funding or programming. This document has since been replaced by the 2022 *Strategic Compass*, which does not even mention local leadership.<sup>55</sup> Instead, the latter document only speaks about the need to consult local civil society, alongside other actors.<sup>56</sup>

Donors do not only differ in their level of commitment to localizing their peacebuilding efforts but also seem to want to work with different types of local actors.

Donors do not only differ in their level of commitment to localizing their peacebuilding efforts but also seem to want to work with different types of local actors. Generally, donors appear to place special emphasis on collaborating with local civil society actors. Several donors have crafted dedicated civil society strategies and programming. In March 2024, the German Federal Ministry for Economic Cooperation and Development, for example, published a new civil society collaboration strategy, emphasizing the relevance of civil society — even within fragile countries or regions. Canada set up a policy for *Civil Society Partnerships for International Assistance* in 2023 and the Netherlands similarly

51 UK International Development, 2023, “International development in a contested world: ending extreme poverty and tackling climate change. A White Paper on International Development,” accessed January 14, 2025, <https://tinyurl.com/2b5phtnw>.

52 UK Foreign, Commonwealth & Development Office, 2023, “The UK government’s strategy for international development,” accessed November 25, 2024, <https://tinyurl.com/y8s5m3ns>; Foreign, Commonwealth & Development Office, “The UK Government’s Approach to Stabilization,” accessed November 11, 2024, <https://tinyurl.com/25a3jh5a>; UK Foreign, Commonwealth & Development Office, 2023, “Delivering the UK’s international development strategy: 2023 progress,” accessed November 11, 2024, <https://tinyurl.com/4v6r7nm8>

53 Government Offices of Sweden/Ministry for Foreign Affairs, 2023, “Development Assistance for a New Era,” accessed November 17, 2024, <https://tinyurl.com/yuk4epbx>.

54 German government, 2017, “Krisen verhindern, Konflikte bewältigen, Frieden fördern.”

55 European Union, 2016, “Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union’s Foreign and Security Policy,” accessed December 12, 2024, <https://tinyurl.com/yr9bay2f>.

56 European External Action Service, 2024, “Conflict Prevention,” accessed November 22, 2024, <https://tinyurl.com/tsufu3xv>.



**Table 1: Top Donors by Level of Commitment**

Top committers	Middle committers	Low committers
United States Australia Denmark Netherlands Norway United Kingdom	Canada Sweden Switzerland	Germany European Union

drafted a *Policy Framework for Strengthening Civil Society* in 2019.<sup>57</sup> The EU's largest funding instrument for external action, the Neighborhood, Development and International Cooperation Instrument (NDICI-GE), has a dedicated thematic program on civil society organizations (CSOs) that seeks to strengthen these actors.<sup>58</sup> Additionally, Sweden announced that they will reduce aid to multilateral organizations and instead channel more via civil society actors.<sup>59</sup>

This international push to focus on civil society does not exclusively implicate local actors. On the contrary, donors often primarily mean to work with NGOs from their own country, considered to be *international* (read: Western) civil society actors. The German development ministry, for example, explicitly states that it prefers funding local partners through “funds managed in part by civil society actors themselves that promote local civil society initiatives in the Global South,”<sup>60</sup> pointing to the requirements of German budgetary laws. A 2020 evaluation of an EU capacity-building program for civil society and local authorities similarly showed that the program predominantly worked with international CSOs, rather than with local ones.<sup>61</sup>

While local civil society seems to get a lot of donors' rhetorical attention, in practice, donors focus on many other actors when designing localization programs or tracking their localization progress. For example, USAID considers “[a]n individual, a corporation, a nonprofit organization, or another body of person” to be potential local partners – basically anyone based or incorporated in the ‘local’ country.<sup>62</sup> At the same time, the definition makes it clear that government institutions do not count as local, excluding not only central governments but also subnational or local authorities.

Notably, the US is the only donor that makes such an explicit distinction. Differing from USAID's general localization approach, the Donor Statement mentioned above commits to “enhanc[ing] cooperation with national and subnational authorities”<sup>63</sup> in addition to working with civil society actors, and therefore adopts a broader understanding of local actors that includes non-central government institutions. Other donors also engage actors outside of local civil society, including (sub-)national and local government institutions. For

57 Government of Canada, “Canada's Policy for Civil Society Partnerships for International Assistance – A Feminist Approach,” <https://tinyurl.com/2htk868v>.

58 European Commission, “Action Document for the Support to in-country civil society actors in conflict prevention, peacebuilding and crisis preparedness,” accessed November 11, 2024, <https://tinyurl.com/3wkrkv4>.

59 Government Offices of Sweden/Ministry for Foreign Affairs, 2023, “Development Assistance for a New Era.”

60 German Federal Ministry for Economic Cooperation and Development, 2024, “Die Zusammenarbeit des Bundesentwicklungsministeriums mit der Zivilgesellschaft,” accessed December 1, 2024, <https://tinyurl.com/4eznyw75>.

61 European Commission, “Thematic Programme for Civil Society Organizations. Multiannual Indicative Programme 2021-2027,” accessed November 27, 2024, <https://tinyurl.com/43et5btv>; European Union, 2022, “Evaluation of the civil society organizations and local authorities thematic programme (2014-2019),” <https://tinyurl.com/y97xkxh9>.

62 USAID, 2023, “Key Performance Indicators Direct AA Funding Localization,” accessed December 2, 2024, <https://www.usaid.gov/sites/default/files/2023-04/Key-Performance-Indicators-Direct-AA-Funding-Localization.pdf>.

63 USAID, “Donor statement on supporting locally led development.”



example, the EU recognizes the relevance of building the capacities of local communities and authorities.<sup>64</sup> Australia, Denmark, Germany, the Netherlands, Norway, and Switzerland similarly have adopted a broad understanding of local actors. For the other four donors, their notion of ‘local’ is unclear.

## How much of peacebuilding spending goes directly to local actors?

### Direct local aid hits a new record in 2023, but remains low

According to our OECD data analysis, in 2008, the first year for which donors systematically reported their “channel of delivery,” DAC donors only sent 3.5 percent, or \$44 million, of peacebuilding aid directly to local actors. This share (covering both recipient governments and local civil society) rose steadily over the next five years, peaking in 2013 at 8 percent of the total aid for peacebuilding, when donors sent \$126 million directly to local actors. By 2023, donors significantly increased their funding allocated to local actors, both in absolute terms (reaching \$234 million) and in relative terms (hitting an all-time high of 9.5 percent).

### Most direct local funding is channeled to recipient governments, little goes to local civil society

Most of what is given directly to local partners goes to local government actors, such as the Ghana Peace Councils (as will be discussed later in this report). What started as a push to empower local civil society actors has become, in effect, a much more state-centric effort. Our interview data suggests that when local actors received direct local funding, it came in the form of small grants, ranging from thousands to tens of thousands of US dollars. Donors have further halved their already-low share of spending on local civil society — from about 4 percent in 2014 to 2 percent in 2023. Simultaneously, money flow to recipient governments quadrupled during the same period, from approximately 2 percent to 8 percent. Most of these contributions to recipient governments went to (and continue to go to) central governments, rather than local ones.

What started as a push to empower local civil society actors has become a much more state-centric effort.

In the cases where we found direct funding to local civil society in Kosovo, Bosnia, Côte d’Ivoire, and Ghana, local NGOs received direct grants from embassies as well as from private foundations, such as the Rockefeller Brothers Fund, SMART Balkans (a multi-NGO intermediary, funded by Norway), the Kosovar Civil Society Foundation (KCSF, funded by multiple government donors), the US National Endowment for Democracy, a small group of NGOs in the Bosnian-Croatian borderlands, and the Robert Bosch Foundation.<sup>65</sup>

A rare but notable case in some (post-)conflict societies is the so-called local civil society fund — a local NGO that receives funding directly from international donors and then distributes it as grants to other local civil society groups, along with capacity-building support. The Kosovar Civil Society Foundation is an example of this model.

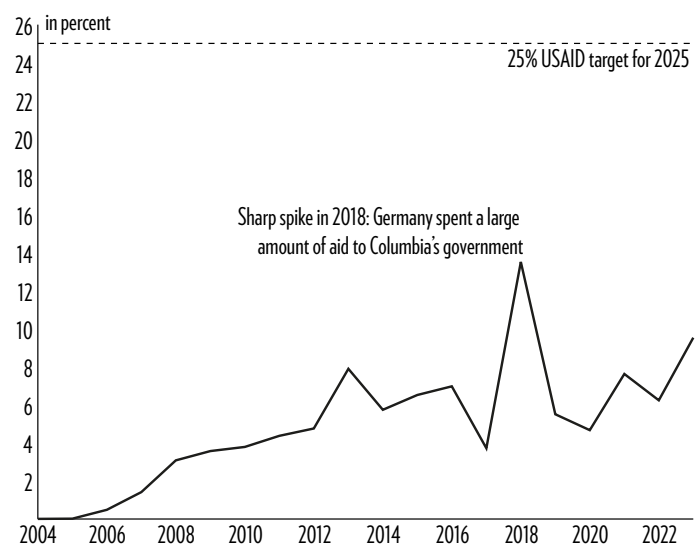
<sup>64</sup> European Commission, “Multi-annual indicative programme.”

<sup>65</sup> Our mention of these, rather than other private foundations, reflects our regional focus as well as some level of randomness in the actors we spoke to. This list does not claim to represent all the private philanthropic actors working in these regions.

**Figure 11: Localized Peacebuilding and Prevention Spending as a Share of Total Peacebuilding and Prevention Spending, 2004-2023**

Continued on next page.

### To Local Civil Society and Recipient Governments



Shares, in percentages, gross disbursements, 2022 constant prices. Source: OECD's Creditor Reporting System (CRS)

## Donors did not specifically commit to more direct funding to local civil society

At first glance, the declining share of peacebuilding spending going directly to local civil society might look as if it were at odds with donors' rhetoric about the relevance of local actors. This is particularly the case when looking at the signatories of the Donor Statement. By signing this document, they committed to "work[ing] to channel high quality funding as directly as possible." Interestingly, this final phrasing ("as directly as possible") leaves some room for interpretation. In practice, it could be interpreted as working via intermediaries — often the preferred option, when directly funding local civil society does not seem feasible to a donor.

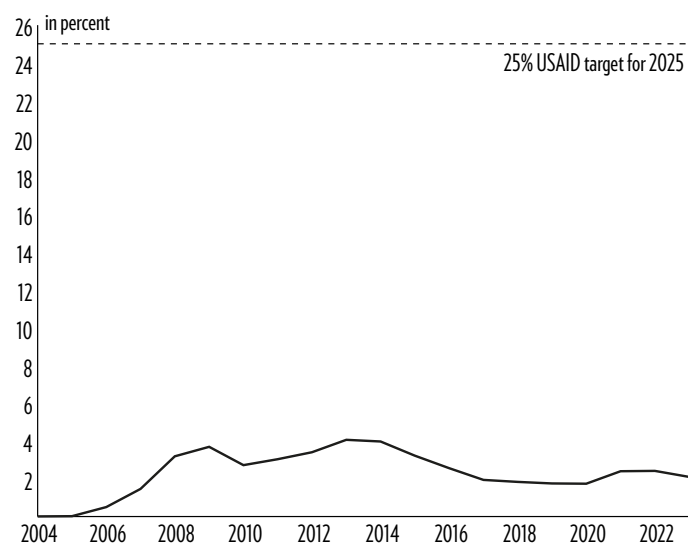
Moreover, as outlined in the previous chapter, no donor except for the US has committed to a specific direct funding target. Given this lack of concrete commitments, then, our finding that most donors only give a small share of their funding directly to local civil society can not be that surprising.

## Spending on human rights, women's rights and democratic participation is more often directly allocated to local civil society

The DAC donors' localization track record remains underwhelming when zooming out from peacebuilding and prevention to the much broader view of governance aid. Governance spending on local civil society increased to 4 percent in 2013; in 2023, it decreased to just 2 percent. Notably, when looking at the more specified buckets of spending delineated by the OECD purpose codes, we find a different picture (detailed below), which means that the level of localization very much depends on the specific field of aid.

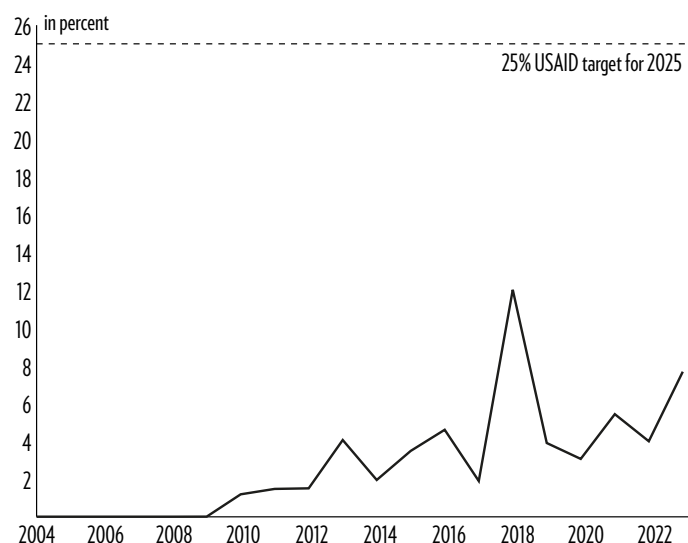
When activities relate to the areas falling under the OECD categories of "human rights," "women's rights" and "democratic participation and civil society," donors are significantly more likely to directly fund local civil society organizations; in 2023, this share accounted for 7 to 8 percent of projects. This is unsurprising given the fact that the heavy lifting in these fields is indeed carried out by local civil society actors. In comparison, the localized share

### To Local Civil Society



Continued from previous page.

### To Recipient Governments



Shares, in percentages, gross disbursements, 2022 constant prices. Source: OECD's Creditor Reporting System (CRS)

of aid for projects under the OECD code of “civilian peace-building, conflict prevention and resolution” (the narrowest measure we use to operationalize peacebuilding) was only 2 percent in 2023.

While some categories are more strongly directly localized than others, it is quite striking that there is not a single category of governance-related aid where donors are providing 10 percent or more of their funds directly to local actors — and often the percentage is far lower than 10 percent. This means that even for these areas of funding (human rights, women's rights, anti-corruption, democratic participation, and civil society), over 90 percent of aid goes through intermediaries or flows to government actors.

## How do donors work with intermediaries?

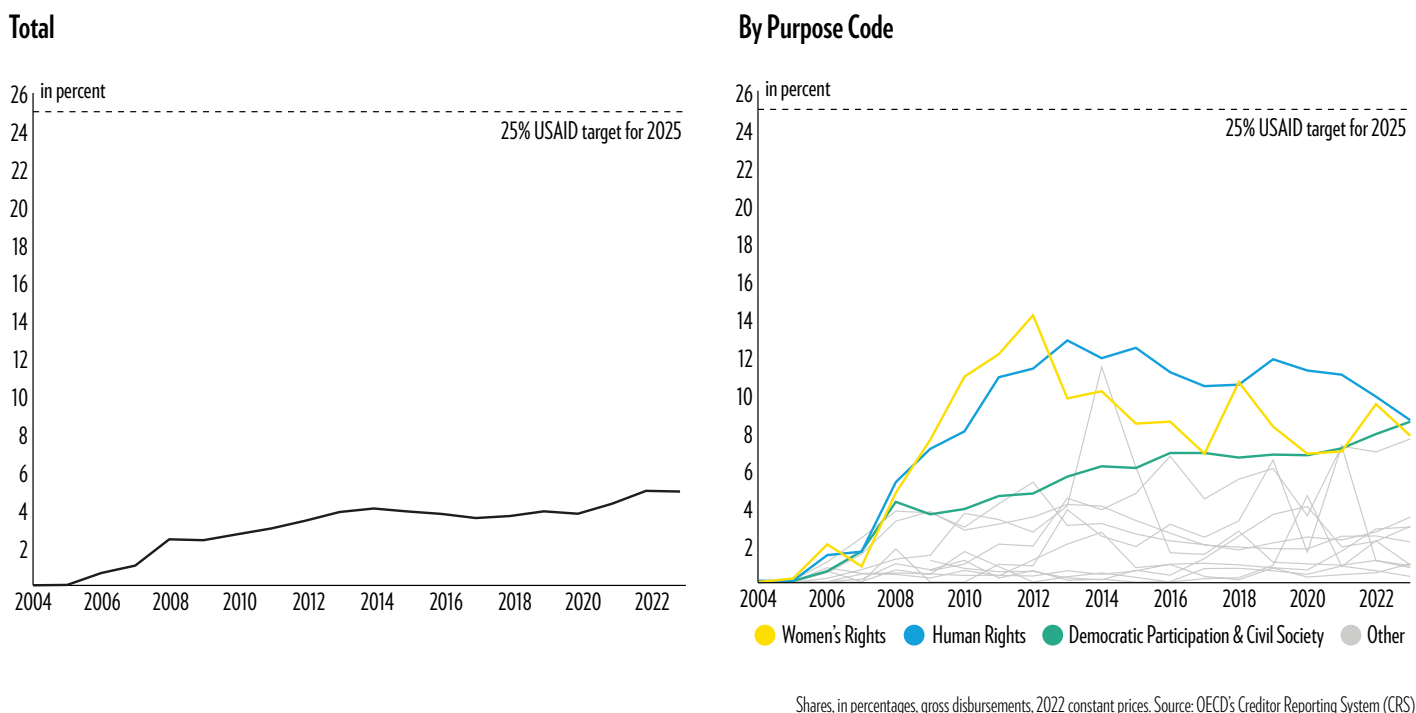
### Donors primarily work with local actors through intermediaries

Even if direct funding is the exception, as outlined above, our interview data suggests that donors do nearly always work with local actors in their peacebuilding efforts — just not directly. Rather, they tend to work through intermediaries. Within this common partnership

**From 2017 to 2023, more than 40 percent of peacebuilding aid was first disbursed to “multilaterals and international NGOs.”**

model, a Western donor will directly fund an international (often, Western) NGO or multilateral organization as an intermediary who then collaborates with and distributes funds to local actors for the implementation of peacebuilding interventions. The ubiquity of this model also explains the high shares of direct funding to multilaterals, INGOs and donor organizations that we have found.

From 2017 to 2023, more than 40 percent of peacebuilding aid (narrowly defined) was first disbursed to “multilaterals and international NGOs,” followed by another 30 percent going to donor government institutions (such as aid agencies, including publicly owned companies) and NGOs based in the donor countries. In this first transfer of resources, less than 10 percent went to private sector businesses — still more than the share that went directly to local recipients, government institutions and civil society.<sup>66</sup>

**Figure 12: Share of Governance Spending 2004-2023 Flowing to Local Civil Society**

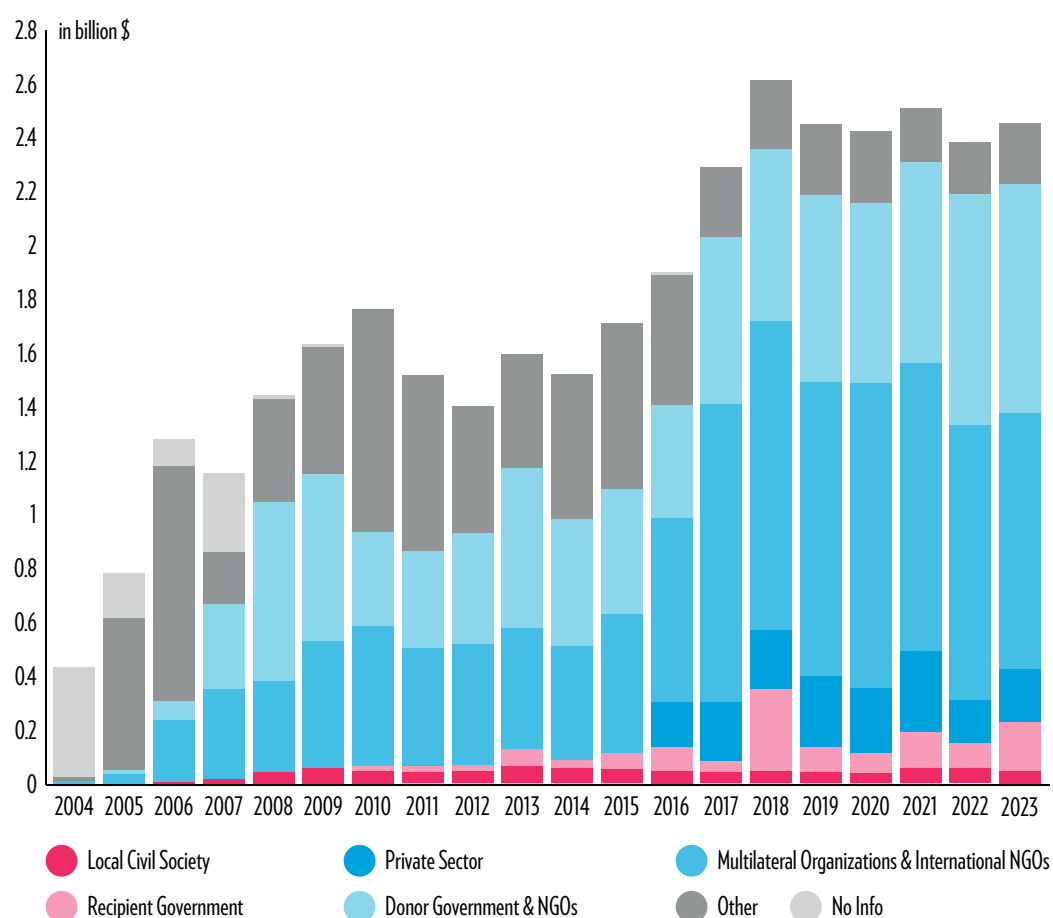
An intermediary set-up was more commonly used in Coastal West Africa than in the Western Balkans, likely due to the Balkan local actors' stronger administrative capacities and their longer history of working with the same donors to build trust. In a few of the cases we looked at, more than one intermediary was involved. One example of this would be when USAID hired an American development firm, which then tasked a local NGO in the target country's capital to distribute small grants to grassroots groups, located in the countryside; both the American firm and the local NGO functioned as intermediaries.

In some cases, international intermediary organizations employed local staff in key leadership roles as country directors or project leads. Some donors consciously selected such organizations as an explicit means of localizing their peacebuilding efforts; they were especially likely to do so when the intermediary organization had a strong track record and enjoyed a good reputation with donors.<sup>66</sup>

We found other cases of indirect localization where donors put a lot of trust in strong local teams at lower levels of hierarchy (for example, International Organization for Migration staff in Bosnia) as well as cases where donors heavily consulted local staff at all levels. This was primarily a way to ensure good and efficient project implementation where granular local access and knowledge was required.

Crucially, this method of localizing has an unintended side-effect: hiring nationals in international intermediaries drives brain drain from local institutions. At the same time, however, doing so may keep highly qualified staff in the country longer-term, which in turn benefits the local economy.

<sup>66</sup> Interview with a donor representative, 15 July 2024, Abidjan, Côte d'Ivoire; interview with a donor representative, 17 June 2024, remote.

**Figure 13: Peacebuilding and Prevention Spending by First Implementation Partner, 2004-2023**

Total amounts, in billion USD, gross disbursements, 2022 constant prices. Source: OECD's Creditor Reporting System (CRS)

## Intermediaries are indispensable but expensive, say donors

The donor and intermediary representatives we talked to mostly argued that intermediaries were of critical value. Working via intermediaries allows donors to outsource administrative work, accountability and risk. What is more, doing so enables a better selection of local subgrantees and better capacity-building support for donors — tasks that donor staff in Western capitals or local embassies would not have been able to do themselves.

One donor representative in Ghana, for example, stressed that their intermediary permits them to work with “fledgling organizations . . . who do not have the capacity to administer the money.”<sup>67</sup> The Ghanaian team lead of the Swiss intermediary Coginta pointed out that “local knowledge is key but local knowledge alone is not enough.”<sup>68</sup> Instead, international and local actors depend on each other; international actors provide access to the international sphere (including Western policymakers), funding and capacity building, while local actors bring in the local knowledge. The funding landscape we observed in Bosnia is a case in point of such interdependence. An interlocutor cited their international intermediary and its perceived

67 Interview with a donor representative, 16 June 2024, Accra, Ghana.

68 Interview with Father Clement Aapengnuo (Team Lead, Association Coginta), 12 July 2024, Tamale, Ghana.

level of neutrality within the internal divisions of the country as the key reason why local NGOs were allowed to operate in and gain access to officials in Republika Srpska, the Serbian-dominated part of the country.<sup>69</sup>

Moreover, in larger countries, intermediaries are seen as the only way to involve grassroots actors without sacrificing geographic reach — and involving grassroots actors is an absolute requirement for rolling out any peacebuilding effort hoping to achieve country-wide impact. We encountered such an example in Bosnia and Herzegovina with the long-running USAID-funded project Pro Future, which ran from 2013 to 2024 and was co-created and implemented by a consortium led by the international NGO Catholic Relief Services. This project was in partnership with several local NGOs and many smaller local partners across more than half of all municipalities in the country — enabling a much greater geographic influence than would have been possible otherwise.

Of course, intermediary services do not come for free. This setup is associated with high costs, which local peacebuilding advocates often point to when discussing (cost-) efficiency. Employing intermediaries necessitates hiring extra staff with above-average salaries; this is even the case for local hires (and obviously much more so for international staff). Logistical and security costs also increase when working with intermediaries — all to provide guidance, translation and support between distant donors and the local realities in rural areas.

In many (post-)conflict countries, it is these high costs of intermediaries — amounts the rumor mill often further inflates — that have sparked the negative notion that the international community is ineffective and wasteful. This bad reputation has worsened over time, particularly in places such as Bosnia and Kosovo. In these countries, both international officials and local activists have sharply criticized the meager results achieved in peacebuilding, despite the high number of resources invested over the past 25 to 30 years. Some of this can be attributed to determined political opposition to peace and stability. In our interviews, however, several interlocutors pointed to inefficient allocation, corruption and misuse of funds among the supposed ‘good guys.’

As major donors are increasingly cost-aware and cost-sensitive, expensive multilateral intermediaries sometimes get named as potential pockets of funding to cut and save on.<sup>70</sup> Too often, the most expensive parts of projects are the parts carried out by multilateral or international intermediaries. High costs are acceptable when intermediaries provide strategic direction, such as when coordinating sub-grantees with different strengths and contributions to implement a complex intervention, while using their position to shield these

partners from local political pressures. It is decidedly not appropriate when intermediaries’ high costs and influence lead to local implements not receiving fair payment.

Reducing costs by cutting out intermediaries is not a one-size-fits-all solution. In certain contexts, like Bosnia and Kosovo, dismissing intermediaries would be an acceptable measure that would not risk the long-term success of the peacebuilding mission, as these countries sport

longstanding, large and capable local civil societies, as well as plenty of international NGOs who put down roots and built decades-long relationships of mutual trust with those local NGOs. Under such conditions, it is indeed worth asking if multilateral or international civil society intermediaries add critical value.

In larger countries, intermediaries are seen as the only way to involve grassroots actors without sacrificing geographic reach.

69 Interview with representatives of an international NGO, 10 December 2024, Sarajevo, Bosnia and Herzegovina.

70 Interviews with donor officials, Berlin and Brussels, various dates.

In many other settings in Sub-Saharan Africa, however, the situation is starkly different: cutting out intermediaries could potentially lead to a political vacuum. Given the fact that both the local and the international landscape of actors has historically been much less robust and more fluid, it would be harder to find local partners that could fully replace

Reducing costs by cutting out intermediaries

is not a one-size-fits-all solution.

intermediaries, while still fulfilling its crucial roles of reaching remote places and standing up to local authorities. In places such as the Lake Chad Basin, the UN has been unique in its ability to maintain a network of local offices throughout the peripheral regions — often key to supporting peace or stabilization in a large country.

## Local actors had no preferred partnership model

Local actors' views on working with intermediaries varied tremendously, both in general terms and when it came to the specific organizations they worked with. Some of the local actors claimed to prefer direct funding, as they thought it would lead to receiving more peacebuilding aid, better alignment of programs with their own priorities and more capacity building. A representative from the Ghanaian NGO NorthCode, for example, expressed his expectation that direct funding would allow them to better integrate their own priorities into their programming; this would be less possible “when . . . working with another intermediate organization, [since] their priorities will drive what you eventually do.”<sup>71</sup> An interviewee of another local peacebuilding organization pointed out a second benefit to direct funding. He argued that receiving direct funding would help them to better “understand the donor compliance issues,”<sup>72</sup> more so than in the scenario where they could only act as the subcontractor (often, intermediaries do not share the specifics regarding their donors' compliance rules with local actors if employed as subcontractors).

Most of our local interlocutors, however, did not have a preferred type of partnership. In some cases, their vote of confidence in intermediaries (or lack thereof) was not so much about the (in-)directness of the funding. Rather, how they judged intermediaries was determined by where they fell on two other axes: their preference for either formal or informal procedures, and their ability to leverage informal access. In Kosovo and Bosnia, we spoke to some organizations whose view of direct funders or intermediaries was dominated by their perspective on formal grantmaking procedures (either as easier to navigate or as cumbersome) and their ability to establish and exploit informal access to those same funders. A representative of the peacebuilding organization Indigo Côte d'Ivoire summed it up well: “Every collaboration has its advantages and disadvantages.”<sup>73</sup>

Notably, in the case of Ghana, it was specifically the *government* peacebuilding institutions that did not have a specific preference for direct or indirect funding. A representative of the National Peace Council stressed that “everyone wants to have direct relations with everyone, but we must promote peace a lot. So, we do not have a problem with intermediaries, as far as we achieve our mandate.”<sup>74</sup> Interlocutors from a Regional Peace Council also emphasized how good the collaboration was with the international intermediary and even stated that they “don't see a need to say that [the donor] should deal directly with [them],”<sup>75</sup> as they are well-represented by the intermediary.

71 Interview with Andrew Dokurugu (Technical Advisor, NorthCode Ghana), 12 July 2024, Tamale, Ghana.

72 Interview with a head of a Ghanaian peacebuilding organization, 1 August 2024, remote.

73 Interview with Séverin Yao Kouamé (Founder and coordinator, Indigo Côte d'Ivoire), 24 July 2024, remote. Author's own translation from French.

74 Interview with Frank Wilson Bodza (Deputy Director Conflict Management and Resolution, National Peace Council), 17 July 2024, Accra, Ghana.

75 Interview with a member and two staff members of a Regional Peace Council, 12 July 2024, Ghana.



A few local interlocutors said they preferred the intermediary partnership model, especially when these relationships were based on transparency, mutual trust and respect, and included the right level of capacity building and support, without infringing on the local actors' demand for autonomy. Some peacebuilding organizations favored close collaboration. For example, staff members of the peacebuilding organization Indigo Côte d'Ivoire working on the project Resilience for Peace (a five-year USAID-funded peacebuilding program) emphasized that their intermediary (Equal Access International) "really support[s] on all levels, from programming to finance" which allows them to "solve problems quickly [and] anticipate"<sup>76</sup> specific challenges. Another benefit of close collaboration they mentioned was the common use of office space in areas of implementation, which facilitates everyday contact and arguably nurtures the relationship between local actors and intermediaries. Other local supporters of the intermediary model, however, favored a clear division of labor and preferred to tap into comparative advantages while having their independence respected – these tended to be local actors with more capacities.

International NGOs were the preferred intermediaries.

In Kosovo and Bosnia, some local actors appeared to sharply distinguish between multilaterals on the one hand, and international civil society intermediaries on the other. Local actors knew the multilaterals were significantly more expensive; and, by and large, the international NGOs enjoyed a better reputation for robust project design, effective implementation and a respectful attitude toward local partners.

In our interviews, we encountered specific counterexamples that flew in the face of this logic, including IOM in Bosnia being largely acknowledged as a rare positive standout within the UN family, as well as some international NGOs in the Western Balkans being accused of excessive micromanagement and neocolonial attitudes. However, the understanding that international NGOs were the preferred intermediaries was shared widely among our interview partners.

## What kind of funding are local actors getting?

Local recipients mostly receive direct aid as project funding, rather than as core funding

Even when they do fund local partners directly, donors often opt for offering them money for distinct projects instead of core funding; project funding allows donors to retain most decision-making power. Core funding, on the other hand, is defined by the OECD as the type of funding local partners have exclusive control over.

Project funding allows donors to retain most decision-making power.

This preference for project funding over core funding holds across the board, regardless of whether the local partners are governments or civil society organizations. If anything, the already low shares of core funding (or sector budget support) have only decreased further over the years. In 2023, project funding made up over 90 percent of contributions to local civil society organizations. At the same time, they only received 5 percent of their funding as core funding and 4 percent as contributions to funds managed by implementing partners. In the case of recipient governments, donors' funding almost exclusively came in the form of projects (99 percent).

<sup>76</sup> Interview with several staff members from Indigo Côte d'Ivoire, 10 July 2024, Abidjan, Côte d'Ivoire. Author's own translation from French.



Although core funding is generally considered preferable (from the local actors' point of view), it can also infringe upon their independence, as it ties them more strongly to the donor and, by extension, to the donor's agenda. With this in mind, a diverse portfolio of sufficient project funding can be a way for recipients to maintain their independence effectively.

## International and donor-based recipients receive twice as much core funding as local recipients

International NGOs and NGOs based in donor countries receive higher shares of core funding than local actors do.

We have found that both international NGOs and NGOs based in donor countries receive higher shares of core funding than local actors do: NGOs based in donor countries receive twice as much core funding (10 percent), while INGOs receive more than double (12 percent). For recipient governments, the picture is quite similar (except for the already mentioned 2018 outlier that represents Germany's contribution to the Colombian government budget in support of the peace process).

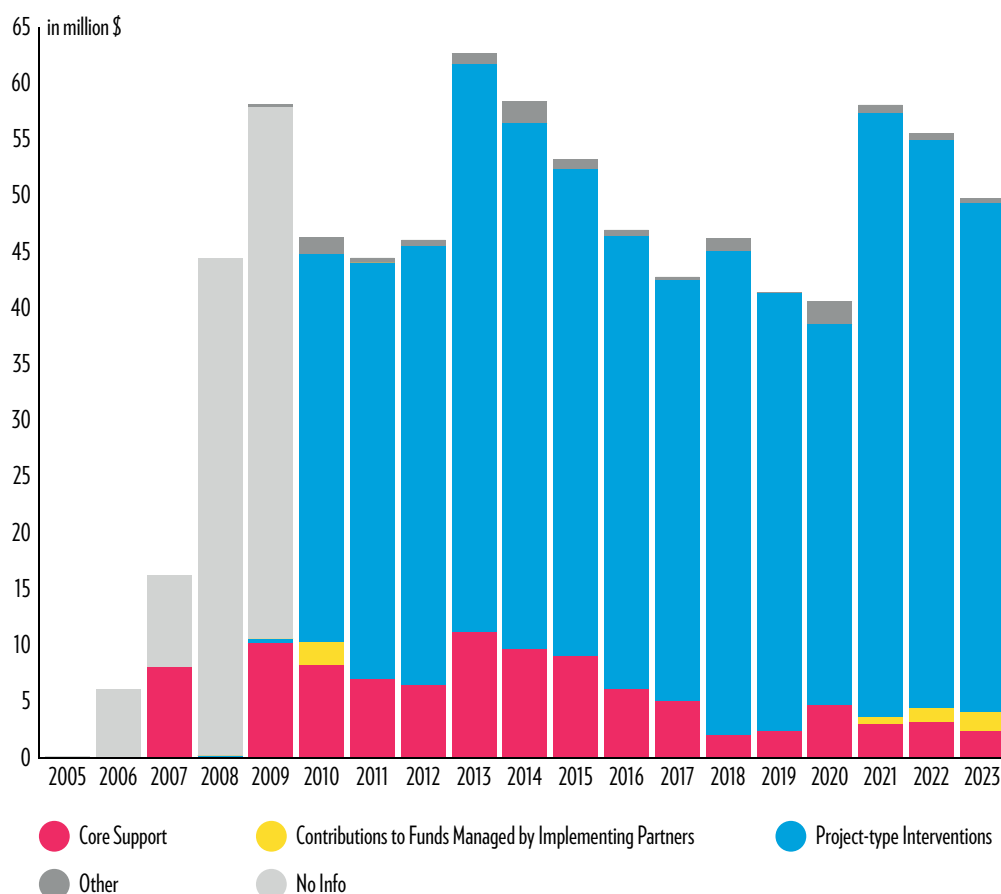
In 2023, less than 1 percent of the peacebuilding spending that was channeled to recipient governments came in this more flexible form of financing. We derive similar findings when we apply the analysis to governance spending.

## Local actors have mixed experiences with core funding

During our research trips, we delved into core funding. Who receives it and how do local actors feel about it? We found that some local partners in Kosovo and Bosnia receive core funding; none of the local actors we visited in Ghana and Côte d'Ivoire did, however. This is not surprising, as donors usually give core funding to local actors who have a track record of successfully implemented projects and/or established relationships. This is more often the case in countries with a strong civil society landscape (Kosovo and Bosnia) than in countries with weaker structures and capacities (Ghana and Côte d'Ivoire). Furthermore, donors' assessments of local capacities are often influenced by prejudices against African organizations, seen as less capable of spending core funding responsibly. Consequently, donors who usually provide core funding (private foundations from Europe and North America) often perceive working in the Western Balkans to be easier than doing so in Coastal West Africa. How available core funding is to local organizations, therefore, differs across regions of the world.

The local organizations in Kosovo and Bosnia who received core funding all did so from one very small pool of funders, which included the Rockefeller Brothers Fund, the Kosovar Civil Society Foundation (KCSF, funded by multiple government donors) and the Robert Bosch Foundation. Recipients of core grants appreciated this funding, as it covered difficult-to-fund costs like training or more experimental activities needed for new project fundraising. Core grants are small, both in terms of total financial amount (usually in the lower five digits per year) and as a share of an organization's budget. Some local recipients told us they saw core grants as just another type of project funding, rather than as a possible game changer that could provide long-term stability or enable competitive salaries, especially given the risk of the core funding ending after a while.

Among these core funders for local organizations in Kosovo and Bosnia, the Rockefeller Brothers Fund stood out as the most positively regarded, partly due to them having a local representative in the Western Balkans. However, the Fund was seen as favoring established partners over experimental ideas. The Robert Bosch Foundation has a Western Balkans program that is new but limited to a small cross-border region, which meant that the NGOs

**Figure 14: Peacebuilding and Prevention Funding to Local Civil Society by Funding Modality, 2005-2023**

Total amounts, in million USD, gross disbursements, 2022 constant prices. Source: OECD's Creditor Reporting System (CRS)

we interviewed were not eligible to the money due to their geographical location. Both SMART Balkans and the KCSF are still rather new; several local actors appeared to want to wait and see how sustainable their support would be.<sup>77</sup>

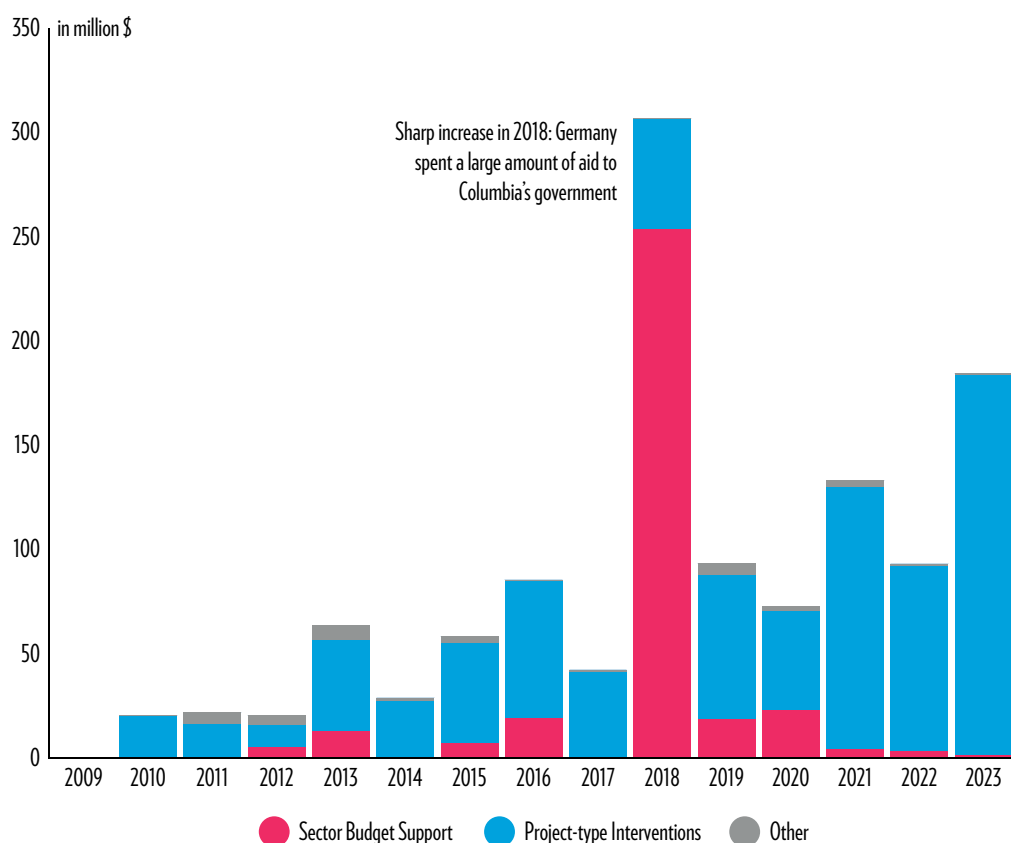
Donors' assessments of local capacities are often influenced by prejudices against African organizations, seen as less capable of spending core funding responsibly.

While providing core funding could, in theory, help local organizations attain longevity and sustainability, exactly how beneficial core funding would be remains an open question. Local partners seem to be able to survive without these additional resources. What is more, the limited amount of extra money core funding would offer is not enough to significantly help retain staff or support strategy and institutional development. One interviewee, for example, outlined that they are forced to end staff contracts once a project ends. Even if another project is about to start, the local peacebuilding organization cannot provide bridge financing.<sup>78</sup> As this interlocutor points out, "this . . . is really damaging"<sup>79</sup> to their organization, as they keep having to train new staff.

<sup>77</sup> Interviews with heads of numerous local peacebuilding NGOs, November and December 2025, Pristina and Mitrovica (Kosovo), Sarajevo (Bosnia and Herzegovina).

<sup>78</sup> Interview with a local peacebuilding organization, 10 July 2024, Abidjan, Côte d'Ivoire.

<sup>79</sup> Interview with a local peacebuilding organization, 10 July 2024, Abidjan, Côte d'Ivoire.

**Figure 15: Peacebuilding and Prevention Funding to Recipient Governments by Funding Modality, 2009-2023**

Total amounts, in million USD, gross disbursements, 2022 constant prices. Source: OECD's Creditor Reporting System (CRS)

## Far from the 'locally led' ideal: donors and international intermediaries still dominate decision-making processes

Our interview data indicate that donors and intermediary organizations continue to play a dominant role in setting the initial priorities for peacebuilding interventions. Overall, the state of play is often very far from the ideal laid out by the USAID-led Donor Statement on 'locally led' programs, where local actors singlehandedly lead in the process of designing peacebuilding efforts and are the ones to set priorities. Understandably, donors want to retain control over what local actors prioritize, since they provide the funding. However, if they truly aim to support locally led peacebuilding, they must fully commit to transferring decision-making power to local actors.

**Donors and intermediary organizations continue to play a dominant role setting the initial priorities for peacebuilding interventions.**

Particularly when it comes to setting thematic priorities, activities or the location of an intervention, donors design proposals that end up being quite normative and prescriptive. The following example of such a dynamic between an international intermediary (part of an EU-funded peacebuilding project) on the one hand, and the 30 local organizations the intermediary supported with small grants, on the other hand, provides a case in point. The intermediary would publish a call for proposals that would, for example, focus on gender equality and social inclusion. The intermediary representative we talked to outlined that they would tell their local partners:

“If you are willing to select a district and work with them to develop their gender policy in 10 months . . . , then we give you money for it.” Although the local partner would be allowed to select the location of intervention, this example shows that they appear to not have a say in the purpose of the project: developing a gender policy.

Not all intermediaries and local actors feel the same about who has the power to define peacebuilding activities. The interlocutor mentioned above emphasized that the international intermediary supported “projects that they’ve come up with,” indicating that their local partners *could* freely conceptualize peacebuilding activities. Another local partner, on the other hand, found the very same call for proposals to be prescriptive.<sup>80</sup> This shows a divergent range of opinions on whether local actors truly have a say in designing their own project.

In our research, we found different approaches to co-creating and allocating decision-making power. Some intermediaries set a nation-wide strategy, working with different grassroots partners across the country, as was the case in Bosnia with Pro Future and Možemo Bolje. If based on a solid theory of change and open to local adjustments, this model could indeed help achieve localized nation-wide impact. Other intermediaries let grantees define their own goals and approaches, offering support only with the execution of projects (including the Robert Bosch Stiftung and KCSF).<sup>81</sup>

## Local partners can also hold considerable power in shaping peacebuilding interventions

When contact is established outside of a call for proposal or if there is a collaborative relationship where local experts are consulted to shape upcoming calls, then local partners seem to have more power to shape the projects (in contrast to the situation sketched above, where local actors are funded through a call for proposal). Notably, USAID had already established so-called co-creation processes in 2012 — many years before their localization agenda. According to USAID, “co-creation can turn USAID partners and stakeholders from passive receivers of development programming to active participants who shape priorities, design activities, and share ownership of USAID investments.”<sup>82</sup>

Across all cases, we found that local actors highly valued these USAID co-creation processes, as it allowed them to influence the agenda — that is, when they themselves had the capacities to do so. Importantly, it was local actors with stronger capacities who were able to shape the concrete proposal ideas and activities in such co-creation processes (typically embedded within several workshops). One such actor with robust capacities was a lead Ghanaian peacebuilding organization; one of their representatives told us that the organization was “always in the forefront because [donors] always recognize that [they] understand the context and have the right tools and skills.”<sup>83</sup> Even in cases where the local actors were not involved in developing the project, our interviewees noted that decisions on the implementation of the project were taken by the intermediary and local partner in equal partnership. Additionally, one interlocutor stressed that local actors were still able to propose smaller changes and that, within these USAID co-creation processes, “nothing is imposed on [them].”<sup>84</sup>

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80 Interview with a local peacebuilding organization, Ghana.

81 Interviews with four representatives of intermediary and donor organizations, October-December 2024, Berlin, Pristina, Sarajevo.

82 USAID, “Co-creation. Interactive guide,” accessed November 23, 2024, <https://www.usaid.gov/npi/capacity-building-indicator-resources/co-creation-interactive-guide>.

83 Interview with a representative of a Ghanaian peacebuilding organization, 12 July 2024, Tamale, Ghana.

84 Interview with a National Coordinator of an Ivorian peacebuilding organization, 11 July 2024, Bingerville, Côte d’Ivoire.

In Bosnia, local intermediary organizations that implemented peacebuilding activities themselves and distributed small grants to further sub-recipients were also part of co-creating the project they participated in. The situation was a bit more complicated when looking at the sub-recipients of small grants; how much influence they had ranged quite a bit across different programs. We learned of cases where sub-recipients — operating in small, remote areas — were able to propose their own activities. This meant that they got to decide how to best promote a particular, larger goal, including how to organize a community dialogue on a

Internationals are often dependent on the knowledge, expertise and access of local staff — a dynamic local actors could arguably leverage (more) to access greater decision-making power.

particular topic, or how to promote inter-ethnic trust-building. In other cases, sub-recipients received payments to organize a local activity that was designed and guided by the intermediary. Examples included a sub-recipient facilitating exchange with traumatized war veterans in order to break stereotypes about the Yugoslav Wars.<sup>85</sup>

In the cases where international intermediaries and donors relied on local staff to provide input for peacebuilding programs or to direct the intermediaries, local actors held considerable power in shaping peacebuilding interventions. Internationals are often dependent on the knowledge, expertise and access of local staff — a dynamic local actors could arguably leverage (more) to access greater decision-making power.

## Amid multiple layers of local actors, the lowest level tends to have limited power and is often unpaid

While lead local actors can significantly influence peacebuilding interventions, local actors who are not lead partners have limited power. In the chain of implementation, these actors often operate at the lowest levels. As such, they fulfill key functions for the success of peacebuilding projects; their contributions include access to target communities, through their language skills, crucial local knowledge and credibility among such communities. In Ghana, for example, the international intermediary and primary local partner relied on their grassroots partner (on a lower level within the hierarchy) for identifying and mobilizing specific communities — something the other project stakeholders could not do. A representative of the primary local actor acknowledged that this grassroots actor “was very instrumental . . . because [they] needed somebody who could speak their language.”<sup>86</sup> Furthermore, the grassroots actor would lead certain activities, as they “need somebody they can associate with so that they can trust you, to welcome you into their community or even listen to what you have brought.”<sup>87</sup> Interestingly, the primary local actor only revealed the grassroots actor’s crucial role within the project after several follow-up questions on our side.

Lower-level local partners were only consulted in exceptional cases.

This suggests that lower-level local partners do not get much recognition or visibility, although their contributions are key to the success of projects.

These lower-level local partners were only consulted in exceptional cases (when their specific local knowledge is needed). They generally did not play a role in setting broader priorities or in addressing strategic questions within peacebuilding programs. While some lower-level local actors would very much *like* to be involved in shaping project proposals from the beginning,<sup>88</sup> they not always get taken up on

85 Interview with representatives of intermediary organizations, 12-14 December 2024, Sarajevo, Bosnia and Hercegovina.

86 Interview with a representative of a Ghanaian peacebuilding organization, 2 August 2024, remote.

87 Interview with a representative of a Ghanaian peacebuilding organization, 2 August 2024, remote.

88 Interview with two representatives of a grassroots Ghanaian peacebuilding organization, 16 July 2024, Accra, Ghana.

this willingness; it would hardly be practical for donors or intermediaries to include every sub-recipient in the design phase of a large project. In such cases, it is all the more important that intermediaries and lead local partners find other effective ways to make sure that key design choices reflect local realities and that engagement with lower-level local partners is fair and respectful.

One crucial way to express such respect is financial compensation. All lower-level local partners that we interviewed for this study voiced strong frustration about the widespread perspective among donors, intermediaries and primary local partners that their work should be considered ‘voluntary’ – and thus unpaid. Instead of receiving monetary compensation, these lower-level partners would supposedly be ‘paid’ in experience: they would benefit from this voluntary work as it would strengthen their internal structures and would improve capacity building.<sup>89</sup> Considering that their contributions to the project are key for implementation’s success, however, fair payment of lower-level local partners is imperative.

## How does each donor localize?

Donors allocate their peacebuilding funds in different ways, leading to significantly varying outcomes in terms of direct local funding. In our analysis, we look at the trends within the top 10 DAC donor spending. They dedicated over \$2.4 billion to peacebuilding in 2023 – 92 percent of all spending on peacebuilding. Between these 10 donors, the patterns between local civil society and local government recipients vary.

### ‘Top committers’ dedicate a bigger portion of their peacebuilding aid to local civil society

Donors with the strongest stated commitments to local peacebuilding (‘top committers’) tend to allocate a larger share of their peacebuilding aid directly to local civil society organizations, compared to other donors (with Switzerland as the only exception, see below). While

Donors with the strongest stated commitments  
to local peacebuilding tend to allocate a larger  
share of their peacebuilding aid directly  
to local civil society organizations.

Denmark, Norway and the Netherlands each dedicated similar shares to localized peacebuilding (between 5 and 7 percent in 2023), Norway stands out in absolute terms, allocating the second-largest amount (\$7.5 million) to local civil society. This is only slightly less than the EU’s total of \$7.8 million, the largest contribution in 2023.

However, there is a notable exception to this trend of ‘top committers’ allocating more: the US – historically the political frontrunner of the localization agenda – only gave 1.4 percent of their peacebuilding funding directly to local civil society (in 2023). This stands in stark contrast to their stated commitment: by 2025, USAID’s target states, 25 percent of their funding should go to direct local aid. In the US, private for-profit corporations dominate aid implementation as USAID’s first-choice partners – which is why USAID includes their contributions in their direct local funding metric. If we also count these numbers as localized, the localization share rises to 7.6 percent – still far from the 25 percent target.

<sup>89</sup> Interview with Ishmael Salifu Batanga (Trust2Peace Program Manager, Norsaac), 11 July 2024, Tamale, Ghana, and with Frank Wilson Bodza (Deputy Director Conflict Management and Resolution, National Peace Council), 18 July 2024, Accra, Ghana.

Notably, our results differ from those published by USAID themselves, which indicate a 3.6 percent localization share in the peace and security sector in 2023, following a 6.4 percent share in 2022. The discrepancy between our and USAID's numbers can be attributed to a different methodology employed by USAID when calculating its own share.<sup>90</sup> When it comes to second-level awards (redistributed from a first-level American contractor to local subrecipients), the Center for Global Development found that 7.1 percent of US foreign assistance went to local actors (2017-2021), either directly (2.3 percent) or through a single US-based intermediary (4.9 percent). A caveat: their data does not cover other channels through which additional US funds reached local recipients, such as multilateral and third-country intermediaries.<sup>91</sup>

## 'Middle committers' support local civil society to differing extents

The share of funding that 'middle committers' allocate directly to local civil society varies greatly. On the one hand, this group includes Switzerland, the largest localizer among the top 11 peacebuilding donors; their direct localized funding represents a share of 12 percent in 2023. Interestingly, despite being the smallest donor within the top ten peacebuilding donors in terms of general funding, Switzerland channeled more resources directly to local civil society (\$7 million) than the US, the second biggest donor, (\$5 million) in 2023. On the other hand, the group of middle committers also includes Canada, the second smallest localizer with a marginal localizing share of only 1 percent. Sweden falls between these two extremes, allocating 4.8 percent of its peacebuilding aid directly to local civil society.

## 'Low committers' give little peacebuilding funding directly to local civil society

The 'low committers' only disbursed small shares of peacebuilding aid directly to local civil society, in line with the expectation set by their tentative commitments. Germany, the largest peacebuilding donor, barely gives any peacebuilding funds directly to local civil society. Importantly, Germany privileges publicly owned entities like its development bank and its international cooperation agency, the *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ) as their primary partners (instead of local actors). These are mandated by law to be the preferred or even the sole partners of the government for certain types of aid activities. In 2023, the absolute amount of Germany's direct, localized peacebuilding funding stood at \$0.9 million, making up only 0.1 percent of its overall peacebuilding spending.

A final observation on the low committers: although the EU disbursed the largest amount of peacebuilding funding to local civil society in absolute terms (\$7.8 million), its relative share only amounts to a marginal 1.5 percent of EU peacebuilding support — similar to the UK's level.

Our results help explain how overall localization to local civil society has plateaued in recent years. While many donors have increased their localization share over the past five years, the top three funders have not. A shift in their funding approach would have a strong influence on the overall funding landscape. However, it remains important to keep in mind that direct funding is not a be all, end all; it does not necessarily mean better projects or more influence for local civil society recipients, as we noted earlier.

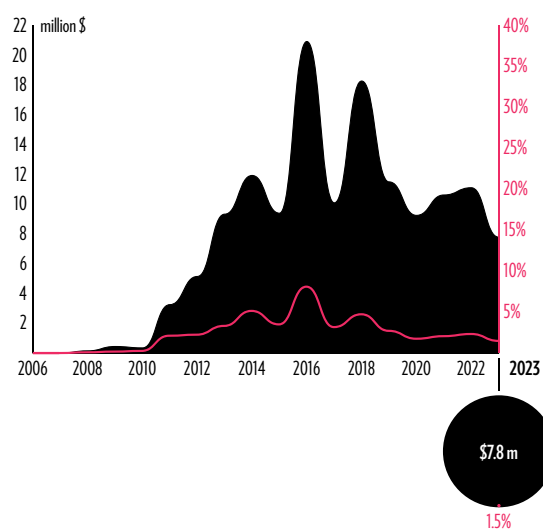
90 For more details, please see: Lewis, Henry, Forster, Gary, and Paxton, Sally, 2024, "METRICS MATTER II."

91 Sandefur, Justin, 2022, "USAID Localization by the Numbers," Center for Global Development, accessed December 18, 2024, <https://www.cgdev.org/blog/usaaid-localization-numbers>.

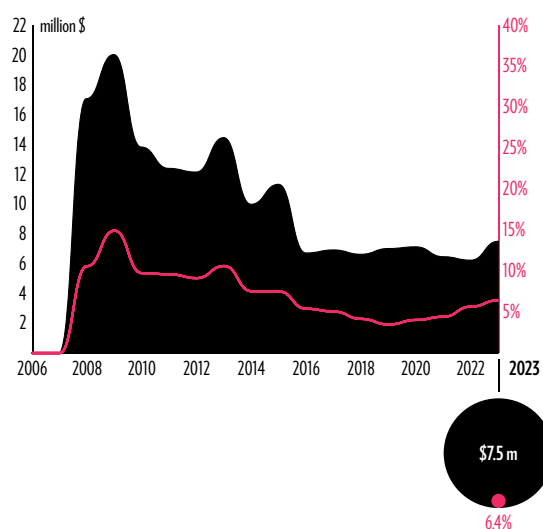


**Figure 16: Individual Donors' Peacebuilding and Prevention Spending Flowing Directly to Local Civil Society, 2006-2023**

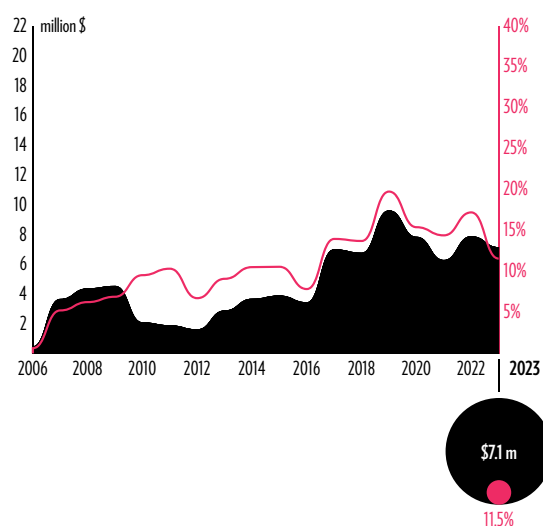
### EU Institutions



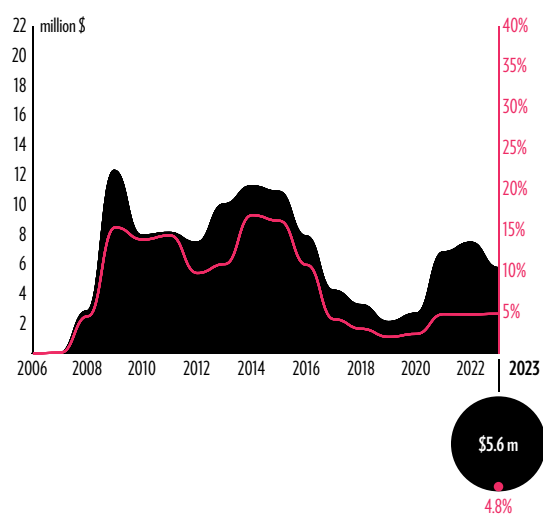
### Norway



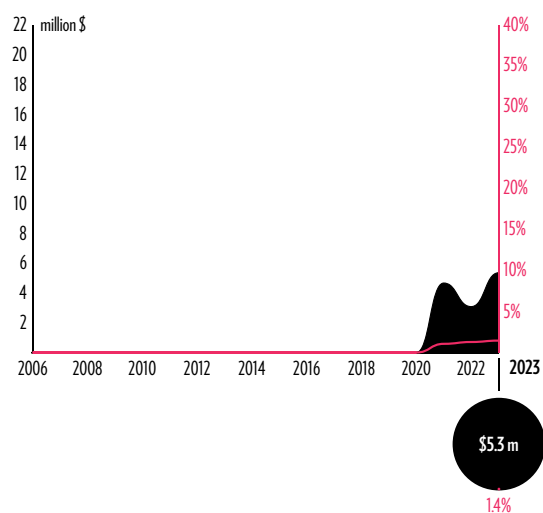
### Switzerland



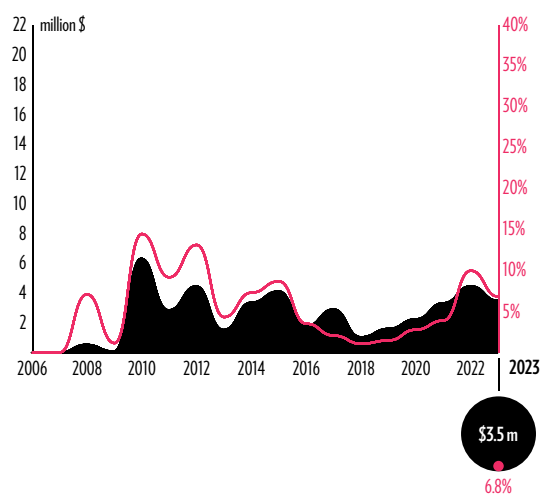
### Sweden



### United States



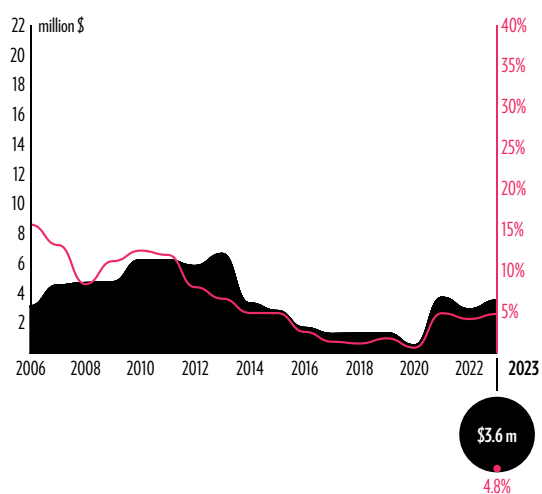
### Denmark



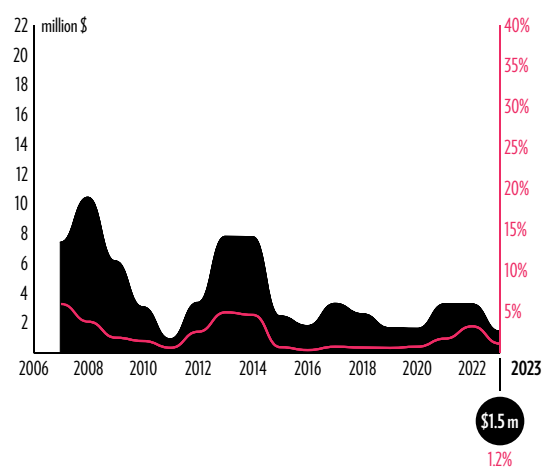
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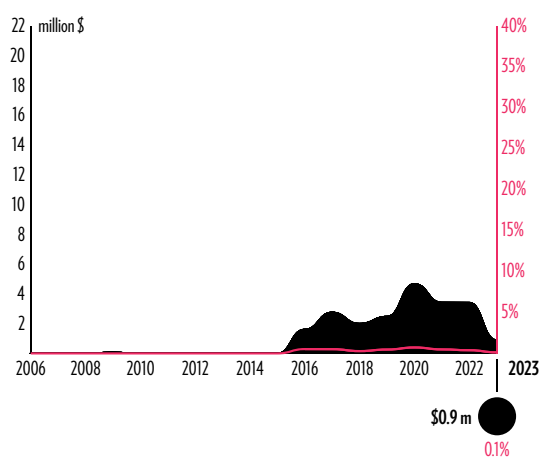
## Netherlands



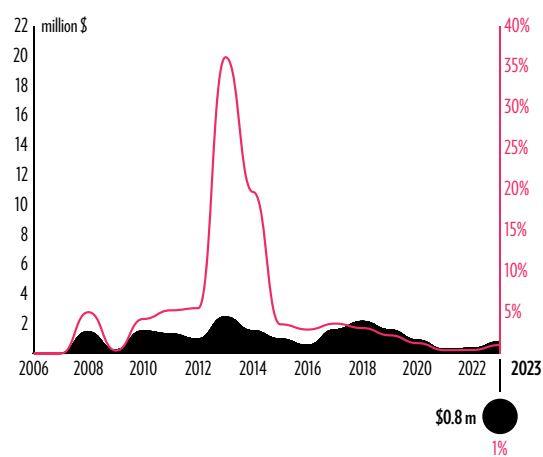
## United Kingdom



## Germany



## Canada



## Legend:

- Total peacebuilding and prevention spending channeled directly to local civil society
- The share of total peacebuilding and prevention spending channeled directly to local civil society
- Total peacebuilding and prevention spending channeled directly to local civil society in 2023
- The share of total peacebuilding and prevention spending channeled directly to local civil society in 2023

Total amounts, in million USD, gross disbursements, 2022 constant prices. Source: OECD's Creditor Reporting System (CRS)

## Donors' governance spending follows mostly the same pattern

We produced these numbers using our narrow definition of peacebuilding funding. Applying our broader governance definition yields similar results. The share of most of the donors' direct, localized peacebuilding spending is only slightly larger (and therefore statistically insignificant) when calculating it based on our broader definition of peacebuilding. The EU and Switzerland are two exceptions; they spend much more of their governance aid directly to local civil society organizations (broadly defined, Governance) than in peacebuilding (narrowly defined, Peacebuilding and Prevention). The EU remains the largest localizer in terms of absolute funds: its share of direct localization in governance support was 9 percent in 2023, four times the figure in peacebuilding, and the third highest in this group. When applying the Governance definition, Switzerland's share jumped from an already high 12 percent to 18 percent in 2023.

Donors channel more peacebuilding and prevention funds directly to recipient governments than to local civil society. Still, direct funding for recipient governments remains quite low. Overall, Germany and the EU clearly dominate within this type of spending. With only 2 to 3 percent of their total peacebuilding budget allocated directly to recipient governments in 2023 (totaling \$175 million), the two donors make up 95 percent of all DAC donors' direct funding to recipient governments. The US' contribution stands at only \$4.8 million. Between 2019 and 2023, this accounted for approximately 9 percent of Germany's and EU's total peacebuilding spending each, while the US' share hovered around 0.8 percent.

## Direct funding for recipient governments is dominated by a few large projects

Looking at the project sizes of the top three peacebuilding donors, it becomes clear that the amount of direct funding for recipient governments is driven by a few large projects. Germany primarily supported the Colombian and Iraqi governments, focusing on the Colombian peace process and the return of Internally Displaced Persons (IDPs) to liberated territories in Iraq. Donors often see Iraq and Colombia as 'special cases'; their relatively stable governments with solid public finances are taken as indicators that these two states are more reliable partners than many other countries recovering from conflict.

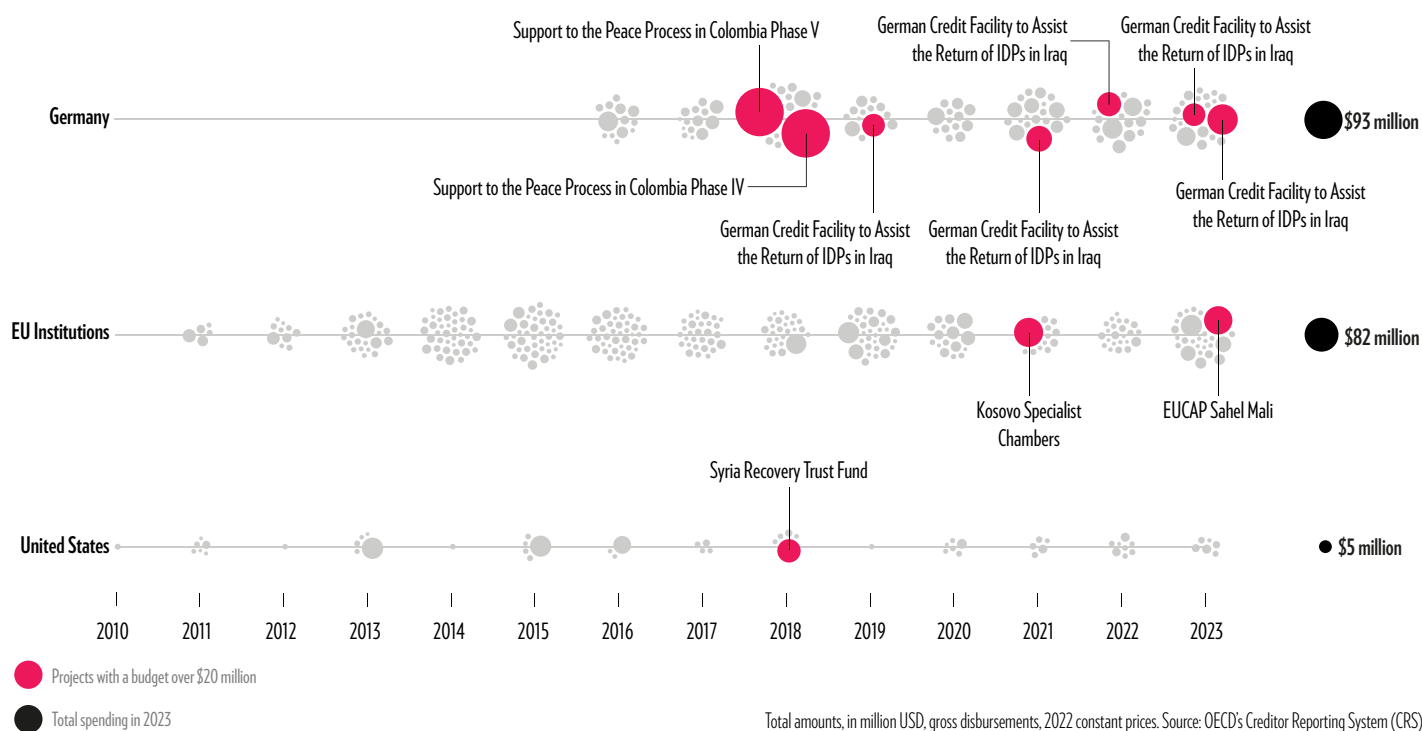
In such cases, donor governments aim to get all levels of government in these relatively reliable states more involved in peacebuilding activities. This is particularly the case for donors like Germany and the US who subscribe to a relatively state-centric approach to stabilization. At the end of the day, they view the local government as the entity responsible for governing and securing sustainable peace, so, the logic goes, it's best to get them involved as early and as closely as possible.<sup>92</sup> While this approach has worked for Colombia and Iraq, it does not lend itself well to countries run by military regimes, where donor governments face bigger challenges (including legal ones) when partnering with government institutions.

Compared to Germany, the EU's project portfolio includes many more, smaller peacebuilding projects (when looking at direct spending to recipient governments). Standing out among the many small EU projects, only two projects had a budget of over \$20 million within the last decade. The first one was the Kosovo Specialist Chambers project, a hybrid court established to adjudicate crimes committed in the context of the Kosovo War. The second large project was the EU Capacity Building Mission in Mali (EUCAP Sahel Mali), meant to support security sector reform and to enhance accountability among Malian security forces.

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92 German Federal Foreign Office, 2022, "Shaping stabilization. Foreign and security policy concept for an integrated action for peace," accessed on November 28, 2024, <https://tinyurl.com/2w7bfjzw>.

**Figure 17: ODA for Peacebuilding and Prevention Flowing Directly to Recipient Governments, Top Three Donors, 2010-2023**



# RECOMMENDATIONS

This study has shown that global investments in peacebuilding and prevention — and conflict assistance more broadly — have fallen since 2018. It also shows that the funder landscape has shifted: the UK has retreated from its position among the top funders, leaving Germany, the EU and the US as the largest donors in this sector. The further massive cuts in development funding made by the governments of all three of these countries, and the fact that the US may well completely disappear as a civilian peace and security funder,<sup>93</sup> suggest that the funding gaps for peacebuilding and prevention will continue to widen in the years ahead. Judging from the limited data they share, non-Western donors appear unwilling to fill these gaps.

Truly preventive investments (peacebuilding and prevention spending that goes to countries not yet in acute crisis) tanked in 2023, falling back to 2015 levels. Even the top donors continue to implement a mostly scattershot approach to prevention and peacebuilding; country portfolios are very diversified and, with rare exceptions, spread small amounts of money over many different countries.

Currently, political openings for sustainable peacebuilding are few, but they exist in places that are very important to many key funders.

Currently, political openings for sustainable peacebuilding are few, but they exist in places that are very important to many key funders. Some of the most obvious examples include Syria's transition after the fall of the Assad regime, Ukraine's path out of war, Nigeria's progress against Boko Haram, as well as Iraq's, Lebanon's and Ethiopia's recovery. But

altogether, global spending is far below the absolute minimum required to leverage even these limited opportunities. This year may also bring significant developments in Gaza and the need to prevent large-scale escalation risks in South Sudan and Ethiopia.<sup>94</sup> Pushing for sustainable peace in the Western Balkans remains crucial, especially for Europe, and would be much cheaper than periodically reinforcing its military forces in Bosnia and Kosovo.

Insufficient investment in political change toward stability, security and peace in all of these countries will allow the vicious cycle of violence to continue, plunging them even deeper into the conflict trap — with all sorts of negative knock-on effects reverberating among their neighbors, along trafficking routes, and within global energy and food markets.

For those directly affected, this is a question of life or death. Along with ever more frequent, climate-induced shocks to resource-constrained livelihoods, which will continue to hit every year and drive up the bloodshed, this reality is not one that any country can afford to ignore. For those cushioned by wealth and observing these trends from a safe distance, the devastating effects of this drop in global funding are moral stains. Not only that, but growing violence and displacement threaten key global interests, ranging from low-cost international trade and safe supply chains, to limits on drug trafficking, terrorism and mass migration.

With additional cuts, we risk a cascading effect where more and more funders pull out.

Things will only get worse with the additional cuts announced by major funders for the coming years: we risk a cascading effect where more and more funders pull out, unwilling to invest scarce funds into difficult peacebuilding work with uncertain results. We will be left with just a handful of committed donors investing in peacebuilding, only able to support a limited number of small projects. This fragmentation means we will lose the multiplier effect that comes from donor coordination, even if previously limited — making the decline in funding even more damaging than the numbers alone suggest.

93 Trump, Donald, "CLOSE IT DOWN!," post on TruthSocial reposted on X, 2025-02-07, at <https://x.com/realDonaldTrump/status/1887916006523166886>.

94 Crisis Group, "South Sudan on the Precipice of Renewed Full-blown War," Alert, March 5, 2025, accessed March 9, 2025, <https://www.crisisgroup.org/africa/horn-africa/south-sudan/south-sudan-precipice-renewed-full-blown-war>; Harter, Fred, "A power struggle in Tigray risks Ethiopia's peace deal," 4 March 2025, The New Humanitarian, accessed 18 March 2025, <https://www.thenewhumanitarian.org/news-feature/2025/03/04/power-struggle-tigray-risks-ethiopia-peace-deal>.

We strongly suggest another path, one characterized by smarter, more strategic, and, yes, *more* investment in peace and security — not just in defense. In 2023, wealthy and fast-growing economies poured an additional \$73 billion into defense, compared to 2022. About one percent of that could have compensated for the recent cuts to peace and security assistance. That's one percent of a single-year increase, at a time when military budgets are likely to keep rising.

Based on the findings presented in this study, we provide nine recommendations: seven to donor officials and political leaders, one to peacebuilding and prevention advocates, and one to local partners.

## Recommendations to donors investing in peace and security

### 1. Redesign your support to leverage political opportunities with targeted interventions; ensure these interventions cut across your own policy silos

Donors must rethink their efforts for sustainable peace and security to maximize strategic impact with limited resources. Donors' first response to the scarce funding for peace and security should be to abandon self-imposed silos. For countries or regions where a donor's priority is to prevent (further) escalations of violence or to rebuild sustainable stability, distinct national funding lines (dedicated separately to security assistance, peacebuilding, development and human rights) must be used in support of a single, coherent political strategy, in alignment with diplomatic efforts and domestic law enforcement, to achieve that goal.

In many cases, powerful conflict actors use and depend on Western Europe, the US and stable Asian and Middle Eastern countries (Singapore, the Emirates) to 'park' their money, get their healthcare and send their children to school. Far too often, donors ignore these and other points of leverage in favor of funding project assistance alone, only to be surprised when their

Donors' first response to the scarce funding for peace and security should be to abandon self-imposed silos.

projects fail to uproot the entrenched political power players benefitting from conflict. This false distinction between politics and aid, between foreign and domestic policy, has been tremendously wasteful and needs to be shattered.<sup>95</sup>

Donors must also put an end to the cuts and increase effective investments — both because it is ethically important and because it is in all countries' self-interest. Even stronger economies (Germany, France, other Western European countries, the UK, the US, Japan, South Korea, China, India, and the Gulf states) will most likely be impacted by unbridled increases in global violence.

Peace and security assistance will need to become more, not less, political. This will be difficult for some to accept, especially those who like to criticize the West for meddling in other countries. Among governments, this may be an easier sell than it once was, as the fast-growing Gulf and Asian economies clearly no longer shy away from engaging with the domestic politics of war-torn countries — we only need to look at China's resource extraction in Sub-Saharan Africa or the Gulf countries' influence in Sudan.

<sup>95</sup> Rotmann, Li and Stoffel, 2021, "Follow the Money," p. 78; Kurtz, Gerrit, 2020, "Krisenprävention," Internationale Politik, no. 5: pp. 96ff., accessed on January 25, 2025, <https://tinyurl.com/5n7eu9ae>; Kurtz, Gerrit and Meyer, Christoph, 2018, "Is conflict prevention a science, craft, or art? Moving beyond technocracy and wishful thinking," Global Affairs 5, no. 1: pp. 23–39, <https://doi.org/10.1080/23340460.2018.1533387>; Rotmann, Rotmann and Brockmeier, Sarah, 2019, Krieg vor der Haustür: Die Gewalt in Europas Nachbarschaft und was wir dagegen tun können, Bonn: Dietz 2019, with further sources cited.

Established and emerging funders must  
make their peace and security support more  
targeted, opportunity-driven and holistic.

Established and emerging funders must make their peace and security support more targeted, opportunity-driven and holistic. At the very least, donors should follow the established principle of ‘do no harm’ and fund in a conflict-sensitive manner. More importantly, they need to fund the right things to ultimately help conflict-affected countries develop governance systems that protect the human rights of their citizens, address everyday security needs and provide non-violent, pluralistic and accountable ways of negotiating power and distributing resources.

These efforts are most effective in countries where conditions are ripe for change and when they are targeted and scaled for impact. The next recommendation outlines this direction in greater detail.

## 2. Calibrate country-specific and regional initiatives to fit differentiated ambitions

Donors’ scattershot allocation of funds has failed to capitalize on existing strategic opportunities for positive change and has led to a mismatch between the places where conditions exist for success and those where donors are willing to invest; our last study’s case examples on prevention opportunities provide evidence of this discrepancy.<sup>96</sup> Not every peace or security project has had as much impact as it *could* have had, not every context has provided even the most basic conditions for success, and not every investment intended to promote peace or security has done so. There is much room for improvement.

A new focus on strategic success rather than on project success is key. Strategic success means a qualitatively higher level of sustainable security, stability or peace for the entire country or conflict context. This requires donors to have a realistic appreciation of the risk that comes with any investment. Unlike the illusion of guaranteed success at the project level (for example, “we will hold ten workshops and reach 400 people from this or that group”), the strategic success of peace and security investments is inherently uncertain. What counts as success is context-dependent and short-term success looks different than long-term success. There is no one-size-fits-all solution.

However, there is a very common approach that is unlikely to enable strategic success, and should therefore be abandoned. So far, the evidence shows that most interventions treat all potential drivers of conflict and violence as if they were equally promising avenues for promoting peace. Since donors cannot sustainably tackle all key drivers of violence or war at once, this approach can hardly be effective. In many places, an acute crisis hits every few years, in a timespan shorter than the time needed for many peacebuilding efforts to show lasting results, thereby undermining any progress made.

This cycle of recurrent crises should give donors pause. A different balance between different ambitions for different contexts could look like this:

### a. Focus on strong local partners:

**Invest large-scale *political* resources — diplomacy, peace and security assistance, investigations of financial and legal infractions, potentially military aid — where there is a strong coalition of relevant local actors whose political work for preventing new violence or post-war stabilization and recovery is likely to succeed, if supported by donors.** This does not require perfect alignment between the interests of donors and their

96 Rotmann, Li and Stoffel, 2021, “Follow the Money,” pp. 34–65.

local and regional partners. However, it does not make sense to work with local partners that are completely disinterested in addressing key drivers of violence, or work in a context where regional interference constantly undermines positive change.<sup>97</sup>

Invest large-scale resources only in support of strong local coalitions, for whom donor assistance is likely to produce success.

Mali and Syria are useful examples. For more than a decade, the Malian government and elites have shown disinterest in providing any kind of fair deal or governance to the country's northern regions. This was a major contributor to the failure of international stabilization efforts. The main external promoters of stabilization in Mali — France, the US, Germany — should have recalibrated their strategy years before the coup, instead of ignoring the warning signs. In today's Syria, much is uncertain, but so far, the new government appears to be pursuing a direction that can be compatible with Europe's interests. If Europe makes a substantive investment, it stands a solid chance of contributing to a success that will work for Syria's population, the new rulers and European interests. Following our proposed logic, Syria would therefore be a worthwhile place to invest.

#### **b. Focus on specific escalation risks:**

While identifying places in need of stabilization or recovery is easy enough, deciding on effective prevention approaches is more difficult; doing so **requires better use of early warning analyses. This means focusing on operational prevention where there is a strategic opportunity to help domestic partners avert particular risks of violence.** Donors need to stop wasteful attempts at *structural* prevention, whereby hundreds of millions of dollars are poured into “combating the root causes” of violence without any consideration of their limited potential for strategic impact. Even these investments are too small to meaningfully tackle massive issues like inequality or predatory governance.

Although it is rare, some donor governments are already using early warning to head off possible outbreaks of violence in a targeted way. However, even when doing so, they tend play it so safe that they all but ensure failure. Their investment patterns are so dispersed and slow that most investments are simply too small and often too late to ever succeed, even when they are backed by a promising political strategy.

A more promising approach would be to identify risks of violence within relevant time horizons that allow for considered policy responses (usually two to three years in advance).<sup>98</sup> Then, and only then, should donors focus on supporting strong local partners (as defined above) in ways that actually address their needs and advance donors' interests or sense of responsibility.

Even the overconcentration of scarce resources would be better than the scattershot approach we have observed so far, which spreads the scarce funding far too thinly. The logic is akin to seed investing — the investor will not succeed in every venture, but too little investment is one of the reasons for failure. Crisis prevention similarly requires a critical mass, in terms

97 With colleagues, two of us developed a planning tool to support donors to strategically develop portfolios of measures to support civil society actors in a country or region — see Li, Melissa, Hensing, Jakob and Rotmann, Philipp, 2023, “Strategy and Planning Tool for Civil Society Measures in Acute Crises,” Global Public Policy Institute, accessed on December 28, 2024, [https://gppi.net/assets/Li\\_et\\_al\\_Manual\\_GPPi\\_2023.zip](https://gppi.net/assets/Li_et_al_Manual_GPPi_2023.zip) (downloadable).

98 While this has been tried far too rarely, there are some examples worth learning from. For two extensive sets of case studies, see Brockmeier, Sarah, Kurtz, Gerrit, and Rotmann, Philipp, 2013, “Protection and Responsibility: An Analysis of US Foreign Policy to Prevent Mass Atrocities,” Global Public Policy Institute, accessed on January 29, 2025, <https://tinyurl.com/mp-s5up7t>; Alleblas, Tessa, Aloyo, Eamon, Brockmeier, Sarah, Rotmann, Philipp, Western, Jon, 2017, “In the Shadow of Syria: Assessing the Obama Administration's Efforts on Mass Atrocity Prevention,” accessed on January 5, 2025, <https://gppi.net/2017/05/03/in-the-shadow-of-syria>.



of investment and political engagement, to get out of the zone of all-but-certain failure and into the zone of possible success, in which it becomes possible to save many lives and prevent massive economic losses.

**c. Support weaker societal allies and build access to possible partners and opponents to prepare for sudden change:**

Time and again, funders are surprised by unexpected and swift political change. Examples of this abound: the coups in Mali and Niger, the battlefield successes of the Taliban in Afghanistan and the HTS-led rebel coalition in Syria, the implosion of several North African dictatorships during the so-called Arab Spring, and the similar collapse in Sudan in 2018-2019. In some cases, these changes close doors; in others, they open new ones.

Civil society groups and human rights and democracy activists need donor support to survive periods of repression. Such support requires specific ambitions; donors should not aim to promote short- or medium-term change toward peace or democratic stability but rather, should help key partners to survive today, so they can fight on toward a pluralistic, long-term sustainable trajectory tomorrow. To do so, it helps to connect embattled local actors

Civil society groups, human rights and democracy activists need donor support to survive periods of repression.

to regional or international allies. This also builds donor access to them, which can be useful during subsequent periods of upheaval. Donors should aim to expand access to partners for future crises, extending beyond narrowly defined ‘civil society’ actors, to include military, economic and religious elites.

All in all, donors need to develop smart baseline engagement when the odds are stacked against peace, whether for reasons related to the domestic balance of power, regional interference or donors’ unwillingness to prioritize scarce resources for the kind of expensive push that progress toward peace would require.<sup>99</sup>

### 3. Build in-house capacity to analyze and engage with local political dynamics – or outsource to intermediaries

Donors rarely fund local actors directly, yet nearly all peacebuilding projects involve them indirectly through intermediaries. Donors see this approach as beneficial, generally outsourcing tasks like due diligence, partner selection and risk management. For local actors, whether funding is direct or indirect matters less than the overall relationship with donors and intermediaries.

Effective direct investments in political change toward peace or stability require donors to identify the ‘right’ local partners and be flexible enough to adapt to fast-changing contexts. Given that local political dynamics in fragile or conflict-affected areas are often fluid, donors need to be able to recognize shifts in power dynamics and be ready to adapt responsibly. If last year’s well-connected partner no longer has access to the regions, populations or institutions required to succeed within a particular intervention logic, donors must be ready to quickly identify and engage with new partners. This requires donors to be open and willing to provide wide leeway on permissible spending and frequently adapt funding awards with minimal delay. It also helps if they provide effective support to local partners on how to comply with donor regulations efficiently.

<sup>99</sup> For further details on why and how this approach could look like, see Rotmann, Rotmann, 2023, “Schluss mit dem Autopiloten! Gute Krisenpolitik fährt nicht von allein,” +49security, accessed on December 1, 2024, <https://tinyurl.com/yc6u393v>; Li, Melissa, 2023, “Be Ready When It Counts: Germany’s Mali Policy,” Global Public Policy Institute, accessed on November 5, 2024, <https://tinyurl.com/4m3yh6w>; Rotmann and Brockmeier, Krieg vor der Haustür.

These best practices require donors to set up dedicated in-country teams, consisting predominantly of local staff able to closely track local political dynamics among civil society actors, as well as within regional or community levels of government, on a daily basis and travel frequently across the country.

Donors unwilling or unable to make adequate investments in local staff risk contributing to duplication or corruption and undermining their own goals. If establishing a local workforce is not an option for a donor, then partnering directly with local actors is not advisable. Instead, donors should work through trusted intermediaries.

## 4. Adapt support to the needs of local partners

Different local organizations have different needs in donor-supported work. In Ghana and Côte d'Ivoire, many peacebuilding organizations valued close partnerships with intermediaries and donors, which often went hand in hand with more guidance from intermediaries (reporting requirements, training). In contrast, many of the local actors in Kosovo and Bosnia preferred a more hands-off approach from intermediaries and donors. This is likely because they have greater capacity to manage peacebuilding projects independently.

One-size-fits-all grantmaking or contracting mechanisms for local partners may appear efficient to donors or intermediaries. However, the opposite is true: such general grants cause less capable partners to miss out on necessary support, while more capable partners waste time pushing back against perceived funder overreach. Moreover, funders may prioritize partners that comply with their collaboration rules rather than those best-suited for the tasks.

To enhance effectiveness, donors and intermediaries should assess the specific needs of their partners, recognizing that different interventions require different levels of collaboration. Adapting to the project context and the partner's needs can improve both efficiency and impact.

## 5. Tailor co-creation processes with primary and lowest-level local actors to local capacities

Co-creation processes between donors and implementing partners, if done properly, appear to be an effective means of integrating the priorities of different stakeholders and benefiting from local actors' expertise. All lead local actors interviewed for this study highlighted the value of these processes. Our interviewees noted that co-creation provided a better opportunity for them to shape the interventions than general consultations (often conducted by bigger intermediaries such as multilateral institutions).

Grassroots actors at the lowest level of project implementation reported limited to no opportunity to shape project designs based on their expertise, priorities and visibility. Sometimes this was exacerbated by limited face time with donors and intermediaries — often a result of the typical project set-up which only imagines a role for the one, primary local partner.

Donors and intermediaries should consider making co-creation processes a key part of project design to give more power to local partners so they can help shape the strategic direction and operationalization of peacebuilding interventions. Arguably, for such co-creation to be fruitful, the local actor in charge of implementing must have sufficient capacity

(in terms of time and staff). Local civil society groups with already-strained resources could be overburdened by time-intensive co-creation processes, as one Ivorian peacebuilding organization reported. This is likely more often the case for lowest-level local partners, as they typically have fewer resources to begin with (see also recommendation 9).

At the same time, working with all local actors involved may disproportionately impede program efficiency. Therefore, donors should flexibly adapt based on their own needs as well as their local partners' needs. In cases where thorough input is needed and local partners want to participate, donors should provide the resources required to allow local partners to meaningfully participate. In cases where additional resources would not aid local partners in their work (for example, because staff with the relevant knowledge are already reserved for other projects), donors should find less intense ways for local actors to contribute or consider leaving them out completely.

## 6. Provide fair and efficient funding to local partners along the entire subcontracting chain – more core funding, no unpaid labor

It is donors' responsibility to ensure that their peace support funding does not exploit local partners. Too many grassroots organizations at the end of a multi-layered subcontracting chain are not being paid for their time and expertise, despite their crucial contributions to projects.

Donors should pay local implementers fairly, not just because it is the right thing to do but also because it benefits donors and intermediaries. Local actors at the lowest level of the implementation of peacebuilding interventions are often key to the success of programs, as they provide access, expertise and skills needed to reach relevant stakeholders. Fair pay ensures that their work aligns with donors' goals, rather than being driven by political or self-serving interest.

Donors should also consider providing more core funding to long-standing local partners that are doing good work. Offering core funding is far more efficient than allotting them a series of project grants – especially when their work aligns with a donor's strategy. Core funding allows grantees to quickly leverage new opportunities, test new ideas before they are proposal-ready and tackle inefficiencies like repetitive fundraising efforts, timeline mismatches and staff turnover.

The downside of existing global core funding is that it is often too small to help local actors get off the 'project treadmill' or make their work noticeably more impactful than peer organizations' work, bankrolled purely by project funding. Additionally, phasing out core funding is more time- and labor-intensive than ending project-based support. Therefore, when donors provide core funding, they should ensure it is substantial enough to deliver its intended benefits. They should also consider their exit strategy and communicate it transparently to the local partner from the beginning of their working relationship.

## 7. Invest in research to understand the impact of direct local and indirect peacebuilding funding

Advocates for local peacebuilding frequently argue that directly funded programs are more likely to sustain peace and are therefore more effective. However, as outlined in the first chapter, we have not found conclusive evidence of this. Impact-driven donors should therefore fund research to better understand the conditions under which local peacebuilding contributes to more stable peace. This would then provide a framework upon which peacebuilding actors can base their programming.

## Recommendation to advocates of investment in peace and security

Along with these recommendations to donor officials, we have another recommendation to legislators, civil society activists and academics who would like to support governments in making their peace and security aid more effective.

## 8. Refocus on accountability for impact

Instead of pushing mainly for higher budgets (or less drastic cuts, these days), advocates should hold governments accountable for strategic impact on peace, security and stability. They should push governments to create robust early warning systems and to treat every serious warning sign and post-war stabilization opportunity as a chance to deploy effective engagement strategies and support relevant and strong domestic partners. Advocates should

demand that governments be reflective and agile so they can quickly change tactics when necessary and learn from experience in their peacebuilding efforts.

When it comes to peace and security within societies ‘far away,’ governments and parliaments face a political challenge at home. The domestic political constituencies for peacebuilding and prevention rightly demand that their governments invest more effort and more funds in the sector, but rarely ask for results in terms of strategic impact. Consequently, politicians have long received ‘an A for effort,’ for growing these budgets, despite their failures at building actual peace.

Without realistic, no-nonsense engagement by elected politicians and civil society experts with the results of peace- and security-related initiatives, donor officials have been free to sidestep the possible appearance of failure by scattering small projects everywhere. If a new crisis hits the news, the thinking goes, it is better for governments to be able to point to a list of projects in the region. This gives them the appearance of being engaged — even if the list is short and the projects themselves have yielded little to no results. Now, with budgets plummeting, this same lack of attention to results would make it dangerously easy to cut peacebuilding projects according to political interest rather than impact. This runs the risk that exactly the wrong projects get cut.

There are ways to counter this dynamic. For every serious warning sign of a potential crisis, advocates need to demand a decision from donor governments as to whether they see sufficient interest and political opportunity to engage. For every failure to prevent a crisis — in other words, whenever warning signs are missed to the point of crisis erupting — advocates need to hold governments accountable, not for the failure itself (which may not have been

preventable), but for whether they recognized the risk in time and how well they judged the opportunities and pitfalls of an attempt at prevention.

This call for accountability should also be directed at the technical problems of data and reporting, both in terms of the quality of the reporting and the breadth of the data made available. Donors regularly fail to accurately and comprehensively report on the limited data required by the DAC rules – rules they designed themselves and agreed to in the DAC. While the OECD statistics division can change obvious mistakes based on the information reported by member states, its capacity to go after member states to update missing data is limited. There are also parts of the dataset that provide crucial information to an analytical observer, but are purely optional for member states to report, such as the start and end dates of projects. Making accurate timing data more widely available through the OECD's CRS would make a world of difference to those analyzing both preventative and reactive peacebuilding investments. It would also be in donor governments' interests to provide a more comprehensive picture of their spending on peacebuilding and prevention, even beyond civilian ODA-compliant spending, because it would allow them to more effectively communicate their investment and impact in this field. These are issues that legislators and civil society advocates could help governments address.

Donor governments, the EU and the World Bank continue to spend billions of dollars on peacebuilding and prevention. To disarm the simplistic populist attacks on development spending, to push back against funding cuts for peace and security, as well as to help donors be more strategic with future investments, advocates need to push for more and better reporting. Ensuring transparency around the impact of these funds is essential to proving their importance to stability and security at the local, regional and global levels.

## **Recommendation to local partners working on local peacebuilding and prevention**

### **9. Leverage key position in peacebuilding projects**

Local partners have relevant expertise and access that are key to peacebuilding projects. Often, these projects would be impossible without local partners' involvement. This is the case not only within formal partnerships but also informal collaborations, when donors and intermediaries solicit the advice of local staff to inform peacebuilding activities.

Local actors can do more to capitalize on this power. They should encourage donors to more effectively integrate their priorities, increase their visibility and cover their overhead costs. Similarly, lower-level local actors should use their position to negotiate fair payment for their contributions to peacebuilding activities (see also recommendation 4).

# ANNEX

## DETAILED METHODOLOGY

This annex explains our detailed methodologies for the quantitative analyses of (1) the global trends in peacebuilding and prevention and (2) local peacebuilding spending. For both analyses, we use the OECD Creditor Reporting System (CRS) data. All sums are in 2022 USD constant prices to enable comparisons over multiple years.

## Counting prevention spending vs. peacebuilding spending

Donors tend to associate preventive action with low-violence contexts and peacebuilding with higher-violence ones. In practice, prevention efforts indeed target countries that are not yet experiencing major security breakdowns, thereby reinforcing this perception that prevention applies to ‘quiet’ places. While this oversimplifies reality — escalation can be prevented even within an ongoing conflict — it serves as a useful analytical proxy for quantifying donor behavior.

We operationalize this by using the OECD’s so-called security fragility metric, which offers a way to measure where a state falls on the low-high violence continuum and is more nuanced than using conflict-related deaths as a sole yardstick. Since 2005, the OECD has published reports on fragile contexts; in 2016, it introduced a multidimensional framework assessing economic, environmental, political, security, human, and societal fragility. Countries are ranked on a scale from 1 (severe) to 5 (minor) in their *States of Fragility reports*.<sup>100</sup>

When it comes to measuring spending, it is important to keep in mind that not all donor spending is country specific. Some activities are reported as regional programs. Moreover, spending is often labelled under the ambiguous “bilateral, unspecified” category — as is the case in certain global trust funds, evaluations and research reports. Germany, for instance, frequently classifies over half of its crisis-related spending as such, despite these funds often being directed toward specific regions.

To estimate how much spending is preventive and how much is reactive, we use two estimation methods. The first method, which produces lower estimates, assumes that regional or unspecified spending follows the same reactive-heavy ratio as country-specific allocations. The second method, which produces higher estimates, assumes a more prevention-focused distribution (50:50), based on project titles suggesting more preventive efforts. Researchers could also test different data categories (“peacebuilding & prevention” compared to “security sector reform”) or alternative metrics distinguishing crisis response from prevention.

For our analysis, we use OECD security fragility data from 2015, 2017, 2019, and 2023, adjusting earlier scores to ensure comparability. Countries with a security score  $\geq 2.5$  are considered potential prevention cases, while those below this threshold are deemed too fragile, with spending likely focused on crisis. Since this method cannot separate prevention spending from crisis spending, using it may lead to inflated measures of preventive spending.

## 2024/2025 peacebuilding and prevention predictions

For peacebuilding and prevention funding for 2024 and 2025, we produced two different estimates. For 2024, we used the Official Development Assistance (ODA) predictions, calculated by SEEK Development’s Donor Tracker (OECD data is only available until 2023).<sup>101</sup>

100 OECD, “States of Fragility,” accessed on December 17, 2024, [https://www.oecd.org/en/publications/states-of-fragility\\_fa5a6770-en.html](https://www.oecd.org/en/publications/states-of-fragility_fa5a6770-en.html).

101 Donor Tracker, “Our Story,” accessed on December 4, 2024, <https://donortracker.org/about>.

We used the share of peacebuilding and prevention spending compared to donors' overall ODA in 2023 to deduce the 2024 numbers for peacebuilding and prevention. This, of course, assumes that the share will stay the same. ODA predictions did not exist for Switzerland and Denmark, which is why we did not include predictions for them, although they are part of the top 10 donors.

For 2025, several major donors have announced large shifts within ODA categories, usually reductions of their peace and security spending relative to other priorities. Therefore, in calculating spending in 2025, we applied publicly announced reductions to the top three donors' figures for 2024. Some degree of interpretation on our part was required, as these announcements never exactly fit what the OECD counts as peacebuilding and prevention spending. For Germany, we estimate a 20 percent cut from 2024 to 2025.<sup>102</sup> For the EU institutions, a ceiling for total spending was announced for 2025-2027 which is much lower per year than what the EU spent in 2021-2024. The EU also announced internal budgetary shifts that cushion this drop for 2025.<sup>103</sup> We assume that the 2025 figure for each of our spending scopes (Peacebuilding and Prevention, Conflict, and Governance) is likely about 25 percent higher than the average for these three remaining years of the EU's current mid-term financial framework (2025-2027), which is how we calculate our estimate. The US announced an across-the-board 90 percent cut to its foreign assistance, which we apply directly to peacebuilding and prevention.<sup>104</sup>

Our gross estimate of likely reductions among all donors taken together in 2025 is built on single-donor estimates for the top six donors, who accounted for 82 percent of global spending in 2021-2023. For the top three, we used the specific evidence and assumptions explained in the previous paragraph, and for the next three (Sweden, the UK and Norway) we expanded the Donor Tracker estimate of overall ODA and applied the 2023 share again. We then assumed no additional cuts on the part of the smaller donors, which results in a total drop of 34 percent or \$1.2 billion compared to the 2021-2023 average.

## Data validation and correction

For our analysis of local peacebuilding spending, we verified whether donors reported their data according to the OECD codebook. Since the information recorded as "channel of delivery" is key for assessing the direct local peacebuilding numbers, we focused our efforts on this data. To ensure the data set was as accurate and consistent as possible, we corrected two things in the OECD CRS data set:

- In 2019, aid first channeled to the UN Peacebuilding Fund was mislabeled as going to recipient governments. We therefore changed the category of "channel of delivery" to "multilateral organizations," the same way that donors had also reported it in all other years.
- Donors did not treat EU Common Security and Defence Policy operations consistently. For all years, we corrected the data coded as "other public entities in recipient country" to the indirect funding metric, as the funding first went to the EU operations themselves.

<sup>102</sup> Bundesministerium der Finanzen, „Regierungsentwurf 2025,“ accessed March 25, 2025, <https://www.bundeshaushalt.de/DE/Bundeshaushalt-digital/bundeshaushalt-digital.html>.

<sup>103</sup> Official Journal of the European Union, "European Union's annual budget for the financial year 2025," accessed February 27, 2025, <https://tinyurl.com/4mfcnjtu>.

<sup>104</sup> Associated Press, "Trump administration says it's cutting 90% of USAID foreign aid contracts," Politico, accessed March 23, 2025, <https://www.politico.com/news/2025/02/26/trump-administration-says-its-cutting-90-of-usaid-foreign-aid-contracts-00206377>.



We also checked individual donor practices regarding their use of the “channel of delivery.” For the top 10 donors (Germany, the US, the EU Institutions, the UK, Sweden, Switzerland, Netherlands, Norway, Denmark, and Canada), we verified their labelling practices for their 10 biggest peacebuilding and prevention projects for all years since 2012, in terms of direct funding to recipient government institutions as well as to local civil society.

We found notable discrepancies in the correct use of the “channel of delivery” categories as well among the quality of donors’ data. Germany, the EU Institutions, Sweden, the Netherlands, and Switzerland did not provide sufficient transparency for us to be able to validate most of their peacebuilding and prevention aid, as they either did not report the exact name of the “channel of delivery” (mostly for local civil society) or provided only very cryptic project descriptions, so that we could not find out whether they had categorized funding correctly.

Canada, Norway, the US, Denmark and the UK provided enough data to verify most of their projects. All donors — except Canada, for which we did not find any mislabeling — seem to have incorrectly labeled the “channel of delivery” for several projects (maximum was 5 out of 10), mostly because they understand local branches of international NGOs (for example, Interpeace Somalia) to be local recipients. To be fair, this may be in line with OECD guidelines, but since this is a problematic way to do local peacebuilding, we did not count this as local direct funding.

In the end, however, we decided not to recode the “channel of delivery” for individual donors, as we could not validate the data for all donors to the same extent.

## Denominator for the calculation of the shares for local direct funding

To analyze what share of the peacebuilding funding is direct local funding, we had to define the denominator of this equation. For the denominator, we counted all peacebuilding aid except the expenditures that are spent within the donor country and donor country personnel which can be identified by OECD’s category of “aid modality.”<sup>105</sup> These expenditures are excluded as they could not be implemented by local actors.<sup>106</sup>

We decided to include projects for which donors did not provide information on aid modality (“NA”), even though we could not be certain that these projects could be delivered by local partners. However, the chance that these funds were part of the peacebuilding aid that could be localized is high (from 2004 to 2022, 96 percent of conflict spending as well as and peace and security spending was theoretically localizable, as it did not present spending within donor countries or for donor countries’ personnel). We included such projects in the denominator. Moreover, the issue of donors not providing the aid modality is mostly relevant for the very early years within our time frame.

<sup>105</sup> We exclude expenditures with aid modality: scholarships/training in donor country, administrative costs, development awareness, imputed student costs, donor country personnel.

<sup>106</sup> Lewis, Henry, Forster, Gary, and Paxton, Sally, 2024, “METRICS MATTER II.”

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