



8 Engaging Donors

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“There is much to be done.”

Georg Zundel

Ending violent conflicts and building peace require the engagement and resources of a broad alliance of actors. Building such alliances, as well as building and sustaining peace together, demands investment: of dedication, capacity and skill, of patience and experience, and of financial resources and joint value-based advocacy. At the Berghof Foundation, we have worked hard over the years to cultivate a relationship with our private and public donors in which we all are partners in shifting public attention and discourse towards the societal and political issues necessary to transform conflicts. We have often succeeded, yet we still face many challenges. As Stephen Heintz, the President of

DONOR | persons or institutions giving support – financial as well as otherwise – to a certain cause or charity. While peacebuilding relies on creativity and dedication as much as material resources, engaging donors in this field is indispensable for peacebuilding work to be scaled up.

the Rockefeller Brothers Fund notes in its 2017 Annual Review, “social change does not happen overnight. It does not happen quickly, and it does not happen as a result of a fixed set of strategies. Change happens over time; it happens because you are nimble and flexible, but it also happens because you stick with your goals while finding new ways to make progress even after experiencing setbacks”.

Total funding for non-violent conflict transformation is still minuscule compared to the world’s military budgets. In 2018, SIPRI estimated world military expenditure at USD 1739 billion, of which the United States government accounts for by far the largest share, with a military budget of USD 630 billion. By contrast, the budget of the United Nations and all its agencies is about USD 40 billion per year, according to the Global Policy Forum – a mere 2.3 per cent of global military expenditure. Similarly, funds allocated to development assistance by OECD countries in 2016 amounted to USD 142.6 billion, less than 8.2 per cent of global military spending, only a small part of which is for peacebuilding. One estimate puts the global funding for peacebuilding in 2016 at 3.4 billion (ECDPM 2018). These figures remind us that when it comes to protecting their international interests, states are determined to maintain their ability to use military means if necessary. Yet while the development of non-violent alternatives to a military security paradigm may not be at the top of governments’ list of priorities, there can be no doubt that states have a role to play in building peace. They are stakeholders in the majority of conflicts, and they also control an overwhelming

amount of the resources needed for their resolution. Sometimes, they are also gatekeepers to the transformation of conflicts.

However modest the amount of public funding for peacebuilding may appear, the contrast to private funding is even greater. The Peace and Security Funding Index compiles data on grants awarded by foundations for peace and security issues globally. The latest year for complete data, 2015, identified a total of USD 351 million for peace and security issues, with roughly USD 188 million (54 per cent) being spent on conflict prevention, resolution, and peacebuilding. That peace-related issues play at best a minor role in the philanthropic world is no surprise, given the challenges, which the peace and security environment presents. Conflict transformation stands out as being particularly hard to approach.

High risk, high reward

With many states and private donors cutting budgets at a time of growing global needs, there is an increasing interest in ensuring the cost-effectiveness and impact of new projects. While successful violence prevention and conflict transformation are more cost-effective than humanitarian relief, the impact of conflict transformation is notoriously more difficult to measure, especially in the short term. Conflict situations are highly complex and follow a non-linear and long-term timeframe, as researchers have pointed out over and over again, not least in several books co-edited by Berghof Foundation staff. In addition, the environments where conflict transformation is necessary often face access and security challenges, which reduce scope for monitoring and evaluation. Governments are major stakeholders in most conflicts, and shifting geopolitical dynamics and relations beyond the control of any organisation can limit the short-term impact of projects. These dynamics are at odds with most available project-based funding, which is primarily short-term and requires measurable steps forward and an attainable outcome at the end. Conflict transformation is, therefore, perceived as a

riskier investment, even if it has the potential for much greater outcomes.

Secondly, conflict transformation, if it aspires to be inclusive, often involves working with actors who are publicly stigmatised, such as proscribed groups. This is often highly controversial in public and political debate. For organisations engaged in this field, there may also be legal constraints on engaging with such actors, especially in the post 9/11 world. Legal uncertainty is not an attractive environment for either non-governmental organisations or funders to work in. They have to be prepared to deal with accusations and the possibility of negative public relations fallout, a risk that private foundations in particular have tended to shy away from. However, Rob Reich, Co-Director of the Stanford Center on Philanthropy and Civil Society, argues that providing “risk capital” is the *raison d’être* of the philanthropic sector. To cite Stephen Heintz once again, “if we aren’t taking risks and assuming the possibility of failure some of the time, we aren’t doing our jobs”.

Balancing interests

As seen in global military expenditure figures, states and international institutions have access to massive amounts of resources relative to private foundations. In addition to these resources, states and international institutions have the potential to engage diplomatically, increasing leverage on certain stakeholders by offering ‘sticks’ or ‘carrots’. In this area, close coordination with peacebuilding actors (international NGOs as well as local initiatives, which have a thorough understanding of local conflict dynamics) can therefore be of great value. This coordination is also beneficial to other actors interested in conflict transformation and building peace, including the private sector. That said, public funding or working closely with states or international bodies can also undermine the efficacy of conflict transformation. States, in particular, follow a different set of priorities, which are centred on their own interests and standards.

National interests, even in more benign forms such as publicity for support, can pose a direct risk to any project's potential. In a very geopolitically competitive landscape, government funding is often perceived as having secondary motivations, such as increasing political influence or promoting a particular ideology. Much public funding comes with strings attached – publicity for the donor country – which can be tricky in contexts requiring a high degree of confidentiality and trust building, including “behind the scenes”. A clear balance needs to be reached between the greater financial support and potential diplomatic leverage of government funding, and the risks that potentially come with being associated with the state.

Private funding

Private funding for conflict transformation can offer enormous benefits. Again, these benefits are manifold: they offer an increase in the material resources required for some of the work, but just as importantly, they establish a circle of like-minded individuals who serve as ‘ambassadors’ and multipliers. Being driven by principles that focus on stakeholders and their relationships, private funders can credibly interact with non-state actors and civil society in general. These principles may be hard to reconcile with conflict realities on the ground, putting non-state conflict stakeholders at a critical disadvantage. Were it not for privately funded initiatives, these actors would often be left to themselves or fall under the influence of the stronger conflict party. Finding it easier to reach out and build bridges to a broad range of actors, privately funded initiatives can help to create the inclusive peace processes required to tackle today's ethno-political conflicts, tapping peacebuilding potential which is otherwise hard to reach. While this means that private funding does indeed have an important role to play, ultimately the success of all private initiatives will remain primarily dependent on their ability to leverage scarce resources by reaching out to states or international institutions.

To do so, they have a spectrum of activities at hand, ranging from the provision of research, education and information to the direct engagement of people through non-governmental organisations and private diplomacy. When these levers are employed adequately and in a coordinated way, even small-scale initiatives have the potential to bring about change on a large scale. Non-governmental organisations must make sure that their principles – in the Berghof Foundation’s case, these are long-term engagement, partnership and multipartiality, to name a few – are in alignment with those of both public and private donors. The advantage of private (or philanthropic) resources remains that these funds can be particularly effective in cases where states and governments cannot or are not willing to provide support.

Lots to do

There is a clear need for further dialogue between implementers and donors on how to build on their shared interests and needs. Peacebuilding institutions need to better understand how available funding is created, such as through government budgets and election cycles, and what drives private philanthropists to invest in certain areas. Peacebuilders also need to better demonstrate clear results and effective investment. In turn donors should recognise the desire by implementers for more flexible, low-profile and long-term funding. There are no simple solutions, but improved communication and education are necessary to ensure that the needs of donors, both private and public, and conflict transformation institutions can be met. More stories about the successes achieved, often with minimal to modest financial investment (but with intense personal and creative engagement by insider and outsider actors), should be told – by us, our peers and our donors. The potential impact that such initiatives can achieve is enormous. Answering the challenge of violent conflict does not only relieve human suffering; it can also free up vast resources that can be put to more beneficial use.

References and Further Reading

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Online Resources

- Berghof Foundation, Annual Reports,** <https://www.berghof-foundation.org/en/publications/annual-reports/>
- ECDPM, Supporting Peacebuilding in Times of Change report series 2018,** <http://ecdpm.org/changingpeacebuilding>
- Global Policy Forum,** www.globalpolicy.org
- OECD,** www.oecd.org
- Peace and Security Funding Index,** <http://peaceandsecurityindex.org/>
- Rockefeller Brothers Fund (2018).** 2017 Annual Review. Charting Our Progress: 2015-2017. New York. <https://www.rbf.org/about/2017-annual-review>