PSRP SPOTLIGHT: ECONOMIC SERIES

SPOTLIGHT SERIES

Rapid - Reaction - Response

Trust Funds in Fragile and Conflict-affected States:
Lessons from Northern Ireland

Avila Kilmurray

This research draws on the PA-X Peace Agreement Database (www.peaceagreements.org), a database of all peace agreements at any stage of the peace process from 1990 to 2016. The database is fully searchable and supports both qualitative and quantitative examination of peace agreements.

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Introduction

A 'Trust Fund' or 'Multi Donor Trust Fund' (MDTF) is a multi-agency funding mechanism, designed to receive contributions from more than one donor (and often also the recipient government), that is held in trust by an appointed administrative agent.

Existing literature on trust funds tends to focus on the national government as the primary stakeholder. This can overlook the importance of considering trust funds from the perspective of local stakeholders, which might foster 'ownership' and promote 'inclusion'. This PSRP- Spotlight draws a number of lessons from the experience of Trust Funds in Northern Ireland. Its goal is to help identify salient issues to inform the founding and functioning of funding mechanisms in other conflict-affected settings.

Overview of Trust Funds in Northern Ireland

A number of trust funds have operated in Northern Ireland, both prior to and following the signing of The Agreement Reached in the Multi-Party Negotiations (Good Friday Agreement or Belfast Agreement (10 April 1998). These include:

(i) The International Fund for Ireland – a multi-donor fund established as an independent structure, with Board members drawn on a cross-Border basis from both Northern Ireland and the Republic of Ireland

(ii) The EU PEACE Intermediary Funding Mechanism approach adopted under the EU Special Support Body for Peace & Reconciliation 1995-1999 which used a number of existing and experienced locally based funders, such as the Community Foundation for Northern Ireland to manage programme measures and allocate funding to initiatives, and

(iii) The District Partnership Boards (overseen by a Northern Ireland Partnership Board) mechanism, adopted under the EU PEACE 1 Programme, which brought together cross-community stakeholders, including elected politicians and civil society representatives to allocate funding to peace projects

The operation of these funds holds some useful lessons in creative funding in conflict/post-conflict contexts. In particular, the Intermediary Funding approach can usefully draw on either existing or new funding structures in contested societies – or indeed, such structures can be seeded through Multi Donor Trust Funds in order to offer longer term sustainability of the effort. Both the Intermediary Funding and the District Partnership approaches were imaginative mechanisms to help build trust in a divided society, whilst the International Fund for Ireland took the initiative to address peacebuilding issues which were still sensitive and that remained as legacies of long-term conflict.

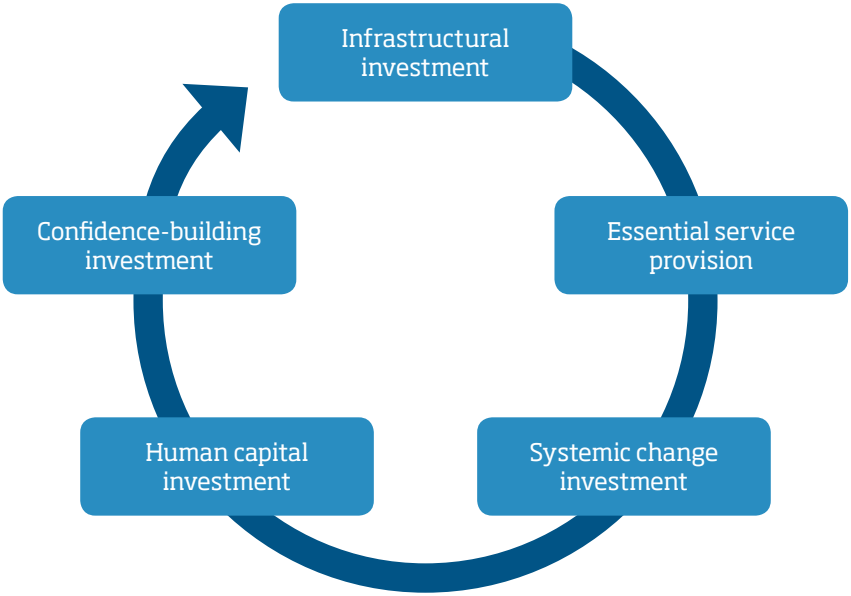
Key Lessons from Northern Ireland

The timescale of funding is important. In particular, short time frames and deadlines can negatively affect the impact of Trust Funds, leading to unmet expectations, unrealistic objectives and inappropriate technocratic measurements. In addition, Trust Funds must take account of the fact that needs and opportunities change over time due to the impact of macro political developments. Funding mechanisms should be able to support:

- short term humanitarian issues, delivering a sense of confidence to impacted communities that progress is being made and that their immediate needs are being met
- medium term re-instatement of services and infrastructure, as well as responding to opportunities (and averting crises) linked to the implementation of the peace settlement
- longer term building of resilience, inclusive statehood, economic infrastructure and peace sustainability

While there is the argument that peacebuilding is long-term in nature (and requires appropriate funding), the short-term and the medium term perspectives are also important, so it should not be an either/or argument. What is important, however, is clarity about what can be achieved within the different timescales in order to manage expectations.

What effective Trust Funds require. For funding mechanisms and strategies to be fit for purpose, there may be a need to disentangle various aspects of investment (although there will be an inevitable overlap at certain points). Given these different elements (which should be identified within the specific context of any fragile state situation), a variety of fund allocation mechanisms might be identified. As highlighted in many studies, an overall Peace & Conflict analysis (reviewed and updated in an inclusive manner on a regular basis) is necessary to draw out the specific clusters of potential interventions.



a. Infrastructural investment may fall within the development aid syndrome – replacing buildings, transport, water supplies, etc. However, clearly a peace and conflict analysis is of equal importance to any other focus, in this apparently 'technical' sphere. A case in point was an example in Sri Lanka whereby one UN programme piped water to an Internally Displaced Persons camp (mainly Muslim in composition) by-passing a local village (also mainly Muslim residents) which did not have access to water supplies. Tension subsequently ensued between residents of the refugee camp and the local village. Equally, a decision on where a road or a bridge is built can carry political consequences, depending on the analysis of territoriality. Local input in planning can help avoid unintended consequences.

b. Essential service provision should also reflect an understanding of the issues of poverty, unemployment, and disadvantage, given the fact that when services are overly concentrated on one issue based on a one-dimensional understanding of discrimination and marginalisation, this can often feed into conflict dynamics. It is important to audit the dispersal of poverty and disadvantage and to examine causal factors to ensure equality of treatment and – where possible – equal outcomes. Affirmative action is often required to address ongoing inequalities.

c. Systemic change should include essential reforms linked to a peace settlement – eg. reform of policing, security forces, judiciary, bureaucracy, etc. This clearly requires a combination of local input and international support.

d. Human capital investment is what it says on the tin – a matter of how to support national, regional and community leadership for development and peacebuilding. It is often these human networks that can ensure the sustainability of peace and respect for peace settlements. An over emphasis on project development, management and implementation can ignore the fact that investment in those who deliver the projects is as important in building local resilience and leadership. Such capacity-building may also be required for national bureaucracies, security services, ex-combatants, etc.

e. Investment in confidence in the peace process is often an ignored element. Consideration of, and investment in, the role of the media (of whatever form is relevant to any particular circumstances) may be important. Identification of channels of communication is also essential – this may be faith leaders, elders, women's groups and other networks.

f. The 'exigencies' of post conflict environments have been noted in a number of the studies as having important implications for programme design. These studies highlight the following salient issues; time limited project work; spend timescales; evaluation and monitoring; and the importance of flexibility in Trust Fund management.

Box 1: Insights from Organizations in the Field

Foundation for Peace Network

Work through the Foundation for Peace Network (www.foundationsforpeace.com) – a network of locally based funders working in divided societies – constantly highlights the reach and sustainability of locally controlled organisations with a long-term commitment to peacebuilding. The learning from these community-based funders include the importance of:

- Local ownership of the funding mechanism that can bring grounded insights into what is possible in a contested society rather than being directed by pre-crafted external assessment and assumptions
- A greater sense of community inclusion given business being conducted by local staff and in the local language
- The ability to acquire tendering and procurement from suppliers located in the donor country rather than the recipient country
- The long-term commitment of funding mechanisms based in contested societies that can strengthen local institutions, organisations and human capital contributing to the sustainability of peacebuilding
- Multi-donor Trust Funds can invest in existing locally based charitable foundations, or adopt a strategy of seeding such institutions

[cont'd]

Social Change Initiative (SCI)

SCI was established in 2015 and is an international charity. Based in Belfast (Northern Ireland), it is a charity which draws together people with deep experience of grassroots activism, peacebuilding, advocacy, media and strategic philanthropy. SCI works both globally and locally to secure progressive social change, so that communities become more inclusive, just and peaceful. While written for independent donors, the document entitled Funding in Conflict-Affected Environments: Philanthropy for Social Justice and Peace offers useful insights for those working with and in Trust Funds. It notes that funding mechanisms should:

- Help empower beleaguered communities: particularly where the prospects of peace seem elusive. Despite this, local communities and groups are often well placed to engage with parties to the conflict with a view to finding pathways out of violence. Local activists can be the R&D of future peacebuilding and need to be supported as such
- Strengthen civil society initiatives: community-based organizations and NGOs are important vehicles for Human Rights, Women's Rights, socio-economic development, addressing the needs of victims/survivors and maintaining relationships across political division
- Build partnerships/platforms for change: themes, interests and regions, but independent funders are well-placed to work with a range of partners – local, national, regional and international. Broader networking between those involved with, and in, areas of conflict can build relationships and understanding. A funding interest in the arts, for example, can take account of conflict and peacebuilding issues, as can primary donor involvement with the welfare of children, health, local development, etc
- Offer new insights and paradigms: Finding ways out of violent conflict requires new thinking and strategies. Where funders are experienced in working in various conflict areas they are well placed to identify and share models of good practice in peacebuilding
- Create spaces: Independent funders can encourage reflection, exchanges and strategy building in areas of conflict

Trust fund management can contribute to peace building. Fund management mechanisms can in themselves make a crucial contribution to peacebuilding. For this to happen in practice a number of questions need to be posed –

- Who is being consulted about the focus of fund programmes and measures? Are their views taken seriously?
- What is the ethnic/gender/regional/age, etc. composition of those who are consulted? Where there are gaps, how will these be rectified?
- Can local representatives (taken in the broader sense of both representative and participative democracy) be actively involved in the selection of priority areas of investment at both national and regional levels?
- Can specific resources linked to particular thematic areas of investment be allocated by geographically based committees/boards/advisory groups that include representatives of previously warring groups, thus using the bait of resources to encourage people to forge relationships, build trust and work collaboratively?
- Can more innovative/independent mechanisms be used where investment is required to pilot new approaches (requiring a greater appetite for risk-taking) or where added value development support is needed to enable previously excluded and/or low capacity groups to benefit from the resources available?(where this does not happen it can just magnify people's feeling of grievance and exclusion)
- What are the areas of investment that need to be managed at a national level? What is the rationale for this decision?

Additional Considerations. UN Security Council Resolution 1325 on Women, Peace and Security suggests that women should be actively involved in any fund allocation mechanism for peacebuilding and reconstruction. There was interesting work carried out in Northern Ireland by the 'Women Seen and Heard' initiative – funded under EU PEACE 1 and the 'Women, Peace & Security initiative', carried out by Women's Resource & Development Agency/Community Foundation NI & National Women's Council of Ireland in 2012 – funded under EU PEACE.

Key Resources

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Peace Agreements

Ireland, United Kingdom. Northern Ireland, The Agreement Reached in the Multi-Party Negotiations (Good Friday Agreement or Belfast Agreement), 10 April 1998.

About the Author

Avila Kilmurray works with The Social Change Initiative (https://www.thesocialchangeinitiative.org/) to support work with the Migrant Learning Exchange Programme and learning on peace building. Avila has worked in the community sector and philanthropy in Northern Ireland since 1975. She has particular interest in women's issues and anti-poverty work and was a founder member of the Northern Ireland Women's Coalition. Over the period 1994-2014 Avila was Director of the Community Foundation for Northern Ireland which prioritised support for community action and peace building. The Community Foundation managed EU PEACE Programme measures for the re-integration of politically motivated ex-prisoners as well as the victims/survivors of violence. It also supported locally-based activism around community issues and areas of social need. Avila has written extensively on the contribution that philanthropy can make to social justice, peace building and conflict transformation. Between 2014-2016 Avila worked with the Global Fund for Community Foundations to promote its work in developing the infrastructure of community philanthropy in the global South. Avila has been with The Social Change Initiative since February 2016. Avila is a member of the Working Group on Philanthropy for Social Justice & Peace; the Foundations for Peace Network and is a Board of the International Fund for Ireland.

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The programme is addressing three broad research questions relating to political settlements:

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2. How can political settlements be improved by internally-driven initiatives, including the impact of gender-inclusive processes and the rule of law institutions?

3. How, and with what interventions, can external actors change political settlements?

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