



ANNUAL REPORT 2016

Foreword by the PeaceNexus Chair

For PeaceNexus 2016 was a year of reflection and continued operational development. We took stock of our programming achievements, informed by a comprehensive set of self-assessments and independent evaluations of our projects as well as an independent organisational review. Here I share some of our strategic and operational learning with you.

The organisational review validated that our mission to promote the effectiveness of peace-relevant organisations is still highly relevant. It also confirmed that the Foundation has managed to operationalise its mission through its expertise services. It has built effective partnerships with influential organisations and has supported our partners to work in collaboration with others.

Based on positive project results in 2016 we strengthened some areas of our work. Good results and feedback on the impact of our support to non-governmental organisations has led to an increase in this portfolio of projects. We expanded the number of partners, with a particular increase in local partnerships in our priority regions. For example, we began to work with local organisations in Central Asia for the first time and strengthened our internal capacity to manage these projects with another programme manager position.

The reviews of our partnerships with multilateral organisations and governments also confirmed that our longer-term partnerships have had a ‘multiplier effect’ by affecting change within large bureaucracies. However, these partnerships also face risks of creating dependencies or being disrupted by leadership changes. We have taken steps to mitigate these risks, including through better combining headquarters and field-level support. Our increased engagement with multilateral actors at the local level has also generated demand from national governmental agencies. This is a welcome development as we aim to deepen our engagement in our priority regions.

While there has been no shortage of demand for our services from non-governmental and governmental partners, this is not the case with business actors. Our assessments in 2016 led us to conclude that working with business education providers to raise awareness about the benefits of conflict-sensitive operations was not generating sufficient traction and we closed this line of programming. Instead we will focus more on addressing company-community problems that stakeholders are interested in solving through multi-actor dialogue in our priority regions. This builds on our experience with supporting alternative dispute resolution at the local level in Myanmar.

Having taken the decision in 2015 to limit our work with local organisations to four priority regions, in 2016 we began to explore how we could work towards more coherent regional engagements in future. In 2017 we will appoint regional representatives in two regions to further develop our partnerships with local peacebuilding champions from civil society, and

with national governmental change agents that are committed to addressing conflict risk through inclusive and accountable governance. Increasing our local presence should also improve our ability to support multi-actor processes and play a 'nexus' role at the local level.

Our assessments in 2016 also confirmed common adaptation challenges that peacebuilding organisations are confronted with at this time. These include challenges of adapting to changing donor funding modalities and priorities, shifting geopolitical realities, shrinking civil society space for political engagement or operational constraints linked to increased insecurity. As we work to improve our service offer in 2017, we recognize that learning and organisational adaptation is key to peacebuilding effectiveness. Building learning and adaptation capacities within our own organisation and in our partners will therefore remain central to our work.

Enjoy the reading,



Dr Thomas Greminger
Chairman of PeaceNexus and
Ambassador, Deputy Director General
Federal Department of Foreign Affairs
Swiss Agency for Development and Cooperation SDC

2016 IN SUMMARY

Our work in 2016 served three strategic objectives:

- 1) strengthening organisational capacities for peacebuilding,
- 2) strengthening the role of business in peacebuilding, and
- 3) promoting innovation in peacebuilding.

The majority of our projects in 2016 served the objective of *strengthening organisational capacities for peacebuilding*. We provided organisational development support to 20 non-governmental organisations (NGOs) and four multilateral organisations, all of whom have a clear mandate to work on social cohesion and peacebuilding. In 2016 the majority of these organisations were located within the focus regions identified in 2015: South East Asia, Central Asia, West Africa and the Western Balkans.

To *promote business engagement in peacebuilding*, we provided support to three NGOs that played a role in educating business to be socially responsible and conflict sensitive, and it facilitated two multi-actor processes to address conflict risks associated with economic development – one in Myanmar and the other in Morocco. We also invested in the research and development of a new investment instrument -- a Peace Investment Fund -- which we aim to initiate in 2017 as part of our mission-aligned investment strategy.

To *promote innovation in peacebuilding*, we piloted a project with a social enterprise, Build Up, to identify and provide fellowships to develop technology tools for peacebuilding. In 2016 we supported two fellows to develop communication technology tools for use in their contexts (Myanmar and Colombia) and with a high potential to be relevant for other actors and situations.

We support our partners by providing expertise and resources to meet specific capacity building objectives. In 2016 our projects were developed and managed by six programme staff who play a key role in engaging with new partners, co-designing projects with them, and managing consultants. To implement our projects, in 2016 we worked closely with four associate consultants (who worked with a number of our partners) and 26 consultants that worked on specific projects. Furthermore, our 20 non-governmental organisation partners used our grants to work with ca. 20 consultants on their organisational development. Hence, in 2016 over 50 experts and organisational development specialists worked with PeaceNexus to increase the effectiveness of our partners. This programmatic work was guided by the Governing Board and the Executive Director, and supported by an administrator, finance officer and two trainees.

In 2016 we commissioned a number of independent evaluations to assess results, inform programme development, and prepare for the development of a new organisational strategy

in 2017. Specifically, we commissioned evaluations of our largest projects and a first organisational review of the Foundation since its establishment in 2009.

The evaluations confirmed that our mission remains relevant and that we have developed a robust operational model for working with partners to meet capacity building objectives that matter for operational effectiveness. It questioned whether this model required greater local presence in some of our focus regions and also made recommendations for areas of improvement, including measuring results and disseminating our learning to a broader audience. These questions and findings will inform the development of our next operational strategy in 2017.

Key findings from the Independent Review of the PeaceNexus Foundation

As part of the organisational review of the PeaceNexus Foundation, an independent consultant concluded that 'PeaceNexus establishes high quality partnerships based on mutual trust and respect'. Supporting evidence included a survey with all former and current organisational development partners. The findings showed that:

- 75% of our partners say they would not have been able to achieve their organisational development goals without our support, and
- 60% reported that our support played a role in enabling them to deliver on their biggest peacebuilding achievements of the past two years.

Separate independent reviews of partnerships with governmental and multilateral actors highlighted clear improvements in the ways in which partner organisations operate e.g. better early warning systems, more participatory priority setting and decision-making.

While these surveys and independent evaluations provided rich evidence of results, they also noted that neither we nor our partners were well set up to articulate and monitor capacity building results and the impact of these on peacebuilding effectiveness. This was a clear recommendation for improvement.

In relation to the objective of *promoting business engagement in peacebuilding*, the review confirmed the relevance of this objective and noted that there is less pre-existing business interest in the peacebuilding sector. It validated the need for a more pro-active approach to the testing of new ideas, and highlighted project results where we have played a facilitation or convening role in triggering multi-actor dialogue e.g. in Myanmar to transform conflict related to private sector development.

The review of our *innovation* work concluded that we are well positioned to support innovation and has indeed supported innovative projects and approaches. To strengthen this work, it recommended a grant-based and more 'hands-off' operational approach and more risk-taking.

The following sections in this report provide an overview of our 2016 project activities, highlighting selected partnerships and results.

1) STRENGTHENING ORGANISATIONAL CAPACITIES FOR PEACEBUILDING

One of our strategic objectives is to strengthen organisational capacities for peacebuilding. To this end, in 2016 we provided expertise to support four multilateral organisations and we provided organisational development support to 20 non-governmental organisations (eleven local civil society organisations in three geographic regions and nine international NGOs).

STRENGTHENING MULTILATERAL ORGANISATIONS

Our work with multilateral organisations in 2016 aimed to strengthen change agents within these bureaucracies to develop system-wide approaches to identify priorities for preventive and peacebuilding action in their country programming.

United Nations Peacebuilding Support Office

We agreed a three-year partnership framework with the UN PBSO for 2016-2018. This included three objectives for capacity building:

- 1) support to UN country teams in three countries to improve the design of peacebuilding programming
- 2) strengthening monitoring and evaluation of peacebuilding programmes, including through community monitoring mechanisms and
- 3) support to develop guidance on implementing selected new policy initiatives in peacebuilding. Examples of some of the activities carried out in 2016 are given below.



Supporting continuous improvement for Peacebuilding Fund mechanisms

In 2016 our in-country support focused on Niger, Mali and Burkina Faso, where we accompanied PBSO staff and UN country teams to identify priority areas for peacebuilding funding. In addition to the outcome of these country plans, our support enabled PBSO to test and adopt more inclusive processes – involving diverse government and civil society actors -- to reach these difficult decisions on peacebuilding priorities.

At UN headquarters, we also supported PBSO to review its funding modalities to improve efficiency without compromising quality. A study and a series of facilitated discussions about UN Peacebuilding funding instruments led to a more streamlined application process.

YOUNG PEOPLE'S PARTICIPATION IN PEACEBUILDING: A PRACTICE NOTE



Towards a strategy to implement UN Security Council Resolution on Youth, Peace and Security

A focus of our policy support to the PBSO has been to build on the 2015 publication “Young People’s Participation in Peacebuilding: A Practice Note” which we contributed to in 2015. The role of youth in peacebuilding was highlighted by UN Security Council Resolution 2250 on Youth, Peace and Security, which for the first time saw a resolution focus entirely on the role of young men and women in peacebuilding and countering violent extremism.

In 2016 the Secretary General called for a study to inform how the UN should implement the resolution and provide support to youth engagement in peacebuilding. We co-sponsored the study which will be finalized in 2017.

The European Union External Action Service

We have supported the EU to develop its early warning system to promote early response to conflict risk factors since 2013. An independent review of this partnership found that it was indeed critical to the development and roll-out of the EU early warning system. It also found that results in terms of high-level and member-state engagement in the joint analysis processes had exceeded expectations. In 2016 it was agreed with the EU that our support would focus on implementation at country-level, where its impact in terms of generating early response actions would be greatest.

Working with selected EU delegations to implement the EU Early Warning System

With our support, the development of an Early Warning System for the European Union’s External Action Services was finalised and field tested in 2015. In 2016, We supported the rollout of the system in a number of priority delegations. Our consultant accompanied a team from Brussels to support the process of assessing conflict risk and identifying priorities for preventive engagement in five countries, including in Myanmar, Kyrgyzstan and Tajikistan.

The analysis process that the Early Warning System takes delegations and EU members states through includes various parts of the EU delegation and representatives of EU member states that are present in the country. The process involves long term horizon scanning and is intended to help EU Delegations programme their resources with a longer-term preventive agenda. Feedback on the process has been very positive. For example, in Tajikistan the German Deputy Head of Mission reported back that the Early Warning System analysis was the best discussion that she had participated in during her three years in the country.

UN Office of Project Services (UNOPS)

UNOPS is increasingly turned to as the principal service provider for logistical, infrastructure, personnel and financial management support for UN agencies operating in crisis and conflict affected states. As such, UNOPS is acutely aware of the need to understand the context, and operate in a conflict sensitive way. In 2016 we provided light support to UNOPS to look at conflict sensitivity within their project-cycle management. This resulted in an internal guidance note on conflict sensitivity, which was launched in late 2016.

International Organisation on Migration (IOM)

In 2016 the International Organisation on Migration (IOM) requested our support to become more conflict sensitive in light of the increasing focus on migration and its relationship with violent conflict and extremism, and in line with the IOM's move to become a full UN agency. We began collaboration with a small support project. Our consultants audited the IOM's Migration Crisis Operational Framework to identify opportunities to anchor and strengthen conflict sensitivity guidance. The Framework is a conceptual and operational document that seeks to tie the IOM's various strands of work together across the migration spectrum, from addressing the drivers of migration, through their work with migrant and host communities. Following the audit, we will support the development of tailored guidance documents, with a view to testing these recommendations in a number of project sites in 2017.

The Peacebuilding Training Game - Mission Zhobia - Consortium



PeaceNexus, ACCORD, The Geneva Centre for Security Policy (GCSP), the UN Institute for Training and Research (UNITAR) and the United States Institute for Peace (USIP) have been collaborating since 2014 in order to develop a game to be used for peacebuilding training purposes. In 2016 we coordinated the consortium to develop the *Mission Zhobia* game. We managed the

contract with the implementing company, &Ranj, and contributed the bulk of the content to develop the game. A final version of the game will be launched in 2017.

NEW PARTNERSHIPS AT THE NATIONAL LEVEL IN PRIORITY REGIONS

The PeaceNexus 2014-2018 strategy foresees increasing engagement with national partners, including government agencies, and in 2015 a decision was taken to adopt a geographical focus for in-country partnerships. In 2016, we began to implement this with two new partnerships. In Kyrgyzstan we began a project with UNDP's country office. In Niger, we began a project with a governmental agency that was created after the civil war to foster a culture of dialogue and peace between Niger's different communities. Examples of some of the activities undertaken are provided below.

United Nations Development Programme (Kyrgyzstan)



We began a new partnership with UNDP in Kyrgyzstan in 2016 to support UNDP's efforts to address inter-ethnic and cross-border conflict monitoring in southern Kyrgyzstan and to develop its understanding of how it could help the government of Kyrgyzstan prevent violent extremism.

Our consultant worked closely with the Resident Coordinator, the UNDP country office and UN country team members to develop a deeper understanding of the drivers of inter-ethnic and cross-border conflict in the south. Through a series of trainings, consultations and targeted research, the consultant increased the capacity of the UNDP teams in Batken and Osh to engage with local monitoring teams and produce higher quality data. This was captured and analysed at the national level by a team working for the State Agency on Local Self-Government and Inter-Ethnic Cooperation. The inter-ethnic conflict monitoring system is now able to deliver analysis at the national level.

Our research and facilitation support to the UN system also helped to develop a common and deeper understanding of local promising approaches to preventing violent extremism, and to transform that understanding into a viable project proposal. We also participated in a number of regional meetings on violent extremism which is widely held to be one of the most critical challenges that the region is currently facing. We have promoted a conflict sensitive approach to addressing this problem.



Haute Autorité à la Consolidation de la Paix (Niger)

The Haute Autorité à la Consolidation de la Paix of Niger (HACP) was established 20 years ago after the civil war and is currently mandated to foster a culture of peace and dialogue between Niger's different communities in order to build mutual trust and tolerance. In support of the national development and security strategies, HACP supports problem solving initiatives in the most at risk regions in order to build peace, national unity, and national solidarity.

We received a request from the HACP in late 2015 and following a scoping visit, agreed to an initial package of support to help HACP evaluate some of its projects that are financed through the national budget and in doing so develop its internal evaluation capacity. The evaluation of the self-funded dialogue programmes including its 'peace caravans', found that these programmes had served to calm tensions in 'hot spots' at critical times. It also identified a number of improvements to internal systems that could be undertaken in the future. Following this initial engagement, we will undertake a broader assessment with a view to deepening our support to HACP in 2017.

STRENGTHENING PEACEBUILDING NGOS

In 2016 we continued our organisational development services for peacebuilding NGOs, resulting in strengthened capacities in areas such as: programme design, evaluation and learning, partnerships, governance and internal accountability.

We select NGOs that function as agents of social change, and that have clear commitment to addressing internal challenges they view as limiting their capacity and impact. This includes support for larger international NGOs and support for local organisations that have high potential for national or regional impact. Our board makes the final grant selection. In doing so, they carefully consider the potential contribution of the organisation to peacebuilding and the potential of the grant to improve organisational effectiveness. The selection is followed by joint assessment and planning meetings, during which our staff works with the grantees to define objectives and the process to achieve them.

In 2016 we provided new organisational development support to eight NGOs based in our focus regions. (See box below for selected examples).

Examples of organisational development process support begun in 2016



ONG 3D (Senegal) ONG 3D (3D) is a leading Senegalese CSO working on inclusive development and governance. It also acts as the secretariat of two major Senegalese civil society coalitions which monitor public spending and elections.

Coming to the end of its current strategic plan and in a context of rapid organisational growth, 3D needs our support to reflect on the impact of its recent work and to develop a new strategic framework that builds on what has worked best.

South East European Youth Network (Western Balkan) The South East European Youth Network (SEEYN) engages youth on peacebuilding and reconciliation and increases the employability of youth through capacity building. The network engages across the region on youth inclusion and provides services to its 24 member organisations. SEEYN identified strategic direction as a network priority and is using the support made available by us for a participatory approach to strategy development, including all network bodies and member organisations under the guidance of a team of consultants.

Network for Building Peace (Bosnia and Herzegovina)

The Network for Building Peace (Mreza Mira) brings together 100 peace and human rights organisations in Bosnia and Herzegovina. Mreza Mira serves as a platform for the exchange of information among its members and supports CSOs and funding partners in coordinating their work.

Mreza Mira applied for our organisational development support with the aim to strengthen two-way communication with its members. As a first step, we helped Mreza Mira to undertake a thorough analysis and consultation of its members. This process confirmed the commitment of the members

and their readiness to let Mreza Mira develop professional structures and assume a more vocal public profile on their behalf.

Foundation for Tolerance International (Kyrgyzstan)

The Foundation for Tolerance International (FTI) is one of the largest and most experienced NGOs working on conflict prevention and peacebuilding in Central Asia. Since its creation in 1998, FTI has gathered a wealth of cross-border experience in promoting peace among youth of different age, gender, ethnic and social backgrounds, using approaches like collaborative analysis and problem-solving.

With our organisational support, FTI reviewed its organisational development needs and prioritised the review of its structure to better adapt to its changing context. A consultant is now working with FTI on key aspects of governance and accountability and engaging the team on specific elements of capacity building.

IDEA (Central Asia)

The International Debate Education Association (IDEA) is a global network of organisations that uses debate as a way to promote civic engagement and social transformation. IDEA Central Asia focus on youth empowerment through the use of debates and the teaching of critical thinking.

In a first step, our support focused on facilitating a smooth transition between the outgoing and incoming Executive Director, making it an opportunity to review and integrate lessons learned so far. The bulk of the organisation development process will now focus on enabling the organisation to adapt its methodology and practice so as to effectively engage disenfranchised youth, in line with IDEA's revised mission.

Since projects typically take over a year, in total we supported 20 ongoing projects to strengthen the capacity of peacebuilding NGOs in 2016. The box below highlights some of the results of some on-going organisational development processes with international and local organisations.

Results from some on-going and closing organisational development processes

ZOA (International)

ZOA is a large humanitarian and development actor based in the Netherlands. It currently operates in 15 countries, including in many conflict-affected and volatile regions.

ZOA requested our support to strengthen its peacebuilding work and to mainstream conflict sensitivity across the organisation. A mix of international workshops, training and remote expert support has enabled ZOA to build internal capacities as well as to develop a clear way forward on how to best operationalise its peacebuilding strategy at the headquarter and field level. Based on these achievements, we will continue to help the organisation to further integrate peacebuilding while mainstreaming conflict sensitivity in its staffing and partnership policies.

Rencontre Africaine pour la Défense des Droits de l'Homme (Senegal)

RADDHO is a longstanding human rights and advocacy organisation with an extensive network of local observatories in Senegal and in the sub-region. While initial organisational development objectives focused on a review of RADDHO's internal structure, roles and responsibilities, the unexpected passing of RADDHO's Secretary-General considerably changed the organisational set-up and thereby our mandate. With external support provided by us, RADDHO is currently focusing on improving its fundraising capacities, in order to consolidate RADDHO's core activities and launch new work strands.

International Alert (International)

International Alert, a leading peacebuilding organisation present in 24 countries completed an assessment of its advocacy work, which led to the development of new tools and a revised strategy. It also conducted a participatory review of its dialogue methodology as applied in its Rwanda programme and shared its lessons learned widely. It is now planning similar impact assessments for other programmes and methodologies. In the words of Debbie Ball, Head of Fundraising, Design and Assessment: “Peace Nexus funding has been an integral part of us improving our approach to reporting and results based thinking and for this we are grateful.”

2) STRENGTHENING THE ROLE OF BUSINESS IN PEACEBUILDING

Although it is widely recognised that business has a critical role to play in transforming economies and societies, it is often associated with supporting existing elites, and fuelling social conflict. Since our inception we have tested a number of start-up initiatives and activities to encourage more conflict sensitive business performance. In 2016 we reviewed the performance of four different approaches, and made decisions to focus our efforts on fewer workstreams in future.

BUSINESS EDUCATION TO PROMOTE CONFLICT SENSITIVE BUSINESS

Since 2015 we have worked with business schools to adapt their curricula and deliver trainings based on these resources, with a view of increasing knowledge of conflict sensitive business practices. In addition, we supported alternative service providers, including three NGOs, to generate additional case studies from conflict-affected contexts and develop new services for business to improve their social impact (see box below for selected examples).

As the examples below show, some of our partners employed innovative methods to engage and inspire. Nevertheless a comprehensive review of our projects and research findings showed that business education service providers, including business schools, generally struggle to generate demand for these services from students and businesses. There was, in particular, little evidence to suggest that courses offered by business schools to improve knowledge of conflict sensitive management practice could be sustainability financed. Following this review, we took the decision to close the business education programme of work in 2016.

Examples of Business Education Projects in 2016

The Forest Trust (International and Cameroon)

The Forest Trust (TFTs) 'Centre for Social Excellence' in Cameroon worked with our local marketing consultants to review the business market for its training services. This activity led to TFT developing shorter courses tailored to (and paid for) by local businesses. The second activity involved a consultant working with TFT to develop a pilot 'retreat' course for sustainability/CSR personnel from its member business organisations. The learning gleaned from this experience has led TFT to develop similar experiential training tailored to its membership business organisations. For example, TFT co-developed and held an 'induction retreat' in Thailand for new Nestlé staff that will work on supply chain management and procurement.



Aim to Flourish (International)

This initiative works with business school professors to task their students to research and present case studies on socially and environmentally responsible business models, in line with the UN's Sustainable Development Goals, including goal 16 on peace and justice. We provided *Aim to Flourish* with two consultants that conducted outreach to professors from some conflict-affected regions and to identify company stories. This resulted in 36 stories produced by students that were categorised as principally showcasing business contributions to peace and justice – goal 16. There were a further 64 stories that highlighted business contributions to other SDG goals, with SDG 16 as a secondary influence. Many students reported the programme to be inspirational. For example a student of Al Akhawayn University in Morocco reported 'Thanks to the AIM2Flourish assignment, my teammate and I discovered the positive impact that a small company can have on the society. We learned that it is possible to make money by creating peace which is a concept that is not very promoted in the business world. This motivated us to start thinking about creating our own social start-up to tackle one of the many issues of our society.' Our support also enabled student prize winners and their professor's to attend the *Fourth Global Forum: Discovering Flourishing Enterprise* in June 2017.



PartnersGlobal (International)

Our project aimed to enable PartnersGlobal to provide services directly to businesses. It provided PartnersGlobal with resources and consultants to develop training and conduct market research for four local partners. There were significant successes, notably in El Salvador where the partner entered into a contract with Walmart to improve stakeholder relations management, and in Serbia where the partner decided to create a new legal social enterprise to deliver dispute resolution training to local businesses. Following our project, PartnersGlobal also managed to secure a large grant from the Ford Foundation to work with its partner organisations to help local NGOs to provide services to businesses in Senegal and Nigeria.

INCLUSIVE AND CONFLICT SENSITIVE BUSINESS IN KAYIN STATE, MYANMAR

Since 2013, we have been working to support a multi-stakeholder project to deliver community-based development in some conflict-affected regions of Kayin state. In 2015 our efforts focused on supporting the establishment of a formal working group in a 'mixed control' pilot area, the Thandaunggy township in northern Kayin state, which resulted in the area opening up for tourism for the first time in 60 years. Based on the efforts of this multi-actor working group, the government granted overnight access to the area for tourists and a dozen local enterprises were established. In 2016 we focused on sustaining these gains, including by developing the capacity of the Secretariat of the working group and supporting the community in developing new partnerships. An independent review of the project undertaken in 2016 highlighted its peacebuilding significance in terms of sustaining local support for the ceasefire agreement through tangible peace dividends. It also noted that the project had contributed to empowering the local community to engage constructively with the local government and the local brigades of the ethnic armed organisation, the Karen National Union, and had led to improved relationships between these actors.

A multi-stakeholder initiative delivers tangible peace dividends in Myanmar

Thandaunggy Working Group, Kayin state, Myanmar In 2016 we successfully phased out our involvement in the multi-stakeholder dialogue process that was initiated in December 2014 in Thandaunggy in Northern Kayin state (Myanmar). Despite the complexity of the context (security issues in a mixed-control area), this initiative led to concrete outcomes such as an unprecedented granting of bed and breakfast licences to local businesses and government authorisation for overnight stays leading to notably increased numbers of tourists benefiting local people in the area. We played a direct facilitation role in this dialogue process and the challenge in 2016 was to disengage responsibly while ensuring the group could sustain their work together. Over 2016 we supported the group to develop its organisational capacity and independence with the support of external consultants. Other organisations have also partnered with the community and are well positioned to accompany the on-going process. The working group now has an established relationship with these new partners, is more self-reliant, and is looking into formalising its legal status. International and national attention for the project has grown and it is often cited as a model of conflict sensitive inclusive development.

Following recommendations from the review of our work in Myanmar, we will consider how to strengthen our presence in 2017, with a view to supporting other processes to promote conflict sensitive development and address company-community-government conflict. This would be combined with support to selected organisations to build their capacity for conflict sensitive operations in conflict-affected regions.

DEVELOPING NEW MECHANISMS TO ADDRESS COMPANY-COMMUNITY CONFLICT

In 2016 we continued our project in Morocco to pilot the concept of a financial mechanism or 'Trust Fund' to strengthen community engagement in dispute resolution and dialogue. Our multi-stakeholder consultations led to an agreement on the governance structure for the proposed national mechanism.

A second initiative that was pilot-tested in 2016 in partnership with the Myanmar Centre for Responsible Business, was the idea of establishing a Mediation and Dialogue Facility to identify and train local mediators and facilitators to support dialogue and mediation processes between companies and communities. Following research and validation workshops, the need for increased capacity was confirmed and it was agreed to proceed with a range of activities to generate government awareness of the benefits of alternative dispute resolution and build the capacity of local organisations and individuals who were well placed to facilitate dialogue on specific issues of concern.

In addition, we maintained our partnership with the Compliance Advisor Ombudsman (CAO) of the International Finance Corporation (IFC), responsible for arbitrating disputes related to IFC-funded projects. In 2016 we contributed to a CAO process in Mongolia, by providing communication and negotiation capacity building services to community representatives in the process. We also supported local mediators to shadow CAO mediators in the Balkans in order to strengthen local mediation capacity for CAO and other dispute resolution processes.

INVESTMENTS FOR PEACE

Based on our mission-aligned investment strategy, in 2016 we explored the idea of creating an investment instrument that would be tailored to our peacebuilding mission – a Peace Investment Fund. The idea is to establish a new equity fund that would include publicly traded companies that had a large impact in fragile states and a reputation for socially responsible performance and a positive contribution to building peace. The Fund would also include an engagement dimension with the companies, in order to explore and generate opportunities for further improving company performance. In this way, our investments would directly serve our mission of promoting more conflict sensitive business operations.

In 2016 the methodology for screening companies was developed and fund manager partners were identified. We aim to establish the Fund in 2017.

3) PROMOTING INNOVATION IN PEACEBUILDING

We support one thematic innovation initiative each year.

2016: TECHNOLOGY ENABLED CIVIL SOCIETY ENGAGEMENT IN PEACEBUILDING

In 2016 we partnered with Build Up, a social enterprise that brings together a community of technologists and peacebuilders, including through annual conferences. Together we launched a fellowship programme to enable peacebuilders to use and adapt available technology to improve civil society engagement in peacebuilding. In 2016 we provided organisational development advice and a small grant to two fellows.

Build Peace Fellows that we supported in 2016



poorest communities in Medellín, Colombia. It enables citizens to select projects to be financed in their community and to understand some of the constraints and trade-offs. Diana has now founded a company to adapt the app to other contexts.

In 2016, we supported two Build Peace fellows. The first, **Diana Dajer**, developed an interactive game that enables disenfranchised populations to become aware and engaged in municipal budgeting, a key component of the Colombian peace agreement. The participatory budgeting provision calls for decisions on a small proportion of municipal budgets to be taken in a more participatory and transparent way.

The app was pilot-tested on lap-tops built into public transport (cable cars) that served some of the



The second fellow, **Maude Morrison**, used her fellowship to develop a phone app that greatly increases the reach, security and impact of an existing Early Warning and Early Response programme of a Myanmar civil society organisation, the Center for Diversity and National Harmony (CDNH).

This programme uses a network of trained individuals to verify information in order to reduce the potential of rumours triggering unrest. Based on the success of the pilot, CDNH are now in the process of fully integrating the application into their programme, in order to improve its efficiency and scale.

“The Build Peace Fellows Programme is a unique opportunity to understand the prospects and risks of projects that involve technology for peacebuilding, and build context-sensitive and sustainable participatory projects that use technology appropriately, ethically and responsibly.” — Build Peace 2016-2017 Fellow.

2014-2015: CIVIL SOCIETY MONITORING OF THE IMPLEMENTATION OF PEACE AGREEMENTS

In previous years our innovation support had focused on projects that addressed the challenge of monitoring the implementation of peace agreements. The rationale for this followed strong empirical evidence that civil society monitoring of the implementation of peace agreements is critical to their sustainability. Since 2014, we supported three initiatives, one in the Balkans and two in Mali, to test new approaches to monitoring. The two projects highlighted below were concluded in 2016.

An initiative to strengthen civil society monitoring of peace agreements

Fondation Hirondelle (Switzerland/Mali programme)



Fondation Hirondelle is a Swiss-based foundation created to support independent, impartial and sustainable news media in conflict and post-conflict areas.

With our support, Fondation Hirondelle designed and implemented an innovative study to explore the impact of their radio programme in Mali (Studio Tamani). The study assessed how Studio Tamani

reports on conflict-related issues in comparison with other radio news, and concluded that Studio Tamani's more comprehensive reporting contributes to its listeners having relatively more open perceptions towards dialogue. The findings of this study are being used by Fondation Hirondelle to prepare for the next phase of its Studio Tamani project and to better design and explain their strategies, theories of change and objectives.

Institut Malien de Recherche Action pour la Paix (Mali)



Established in 2013 with the support of Interpeace, the Malian Institute of Research and Action for Peace (IMRAP) has built a solid reputation in Mali as an impartial organisation conducting high-quality work with a view to establish a culture of inclusive and constructive dialogue.

To engage civil society in talks around the implementation of the Accord for Peace and Reconciliation in Mali, we supported IMRAP in

designing and pilot-testing a dialogue series in the regions of Segou and Gao and in the M'Berra refugee camp. IMRAP's dialogue approach was highly appreciated by the populations. The video-taped conversations enabled IMRAP to bring priority preoccupations of the local populations to the attention of the authorities at the local and national level. IMRAP has established a constructive working relationship with the implementing authorities and is having discussions with donors to pursue the initiative and deepen the approach.

BUDGET 2016

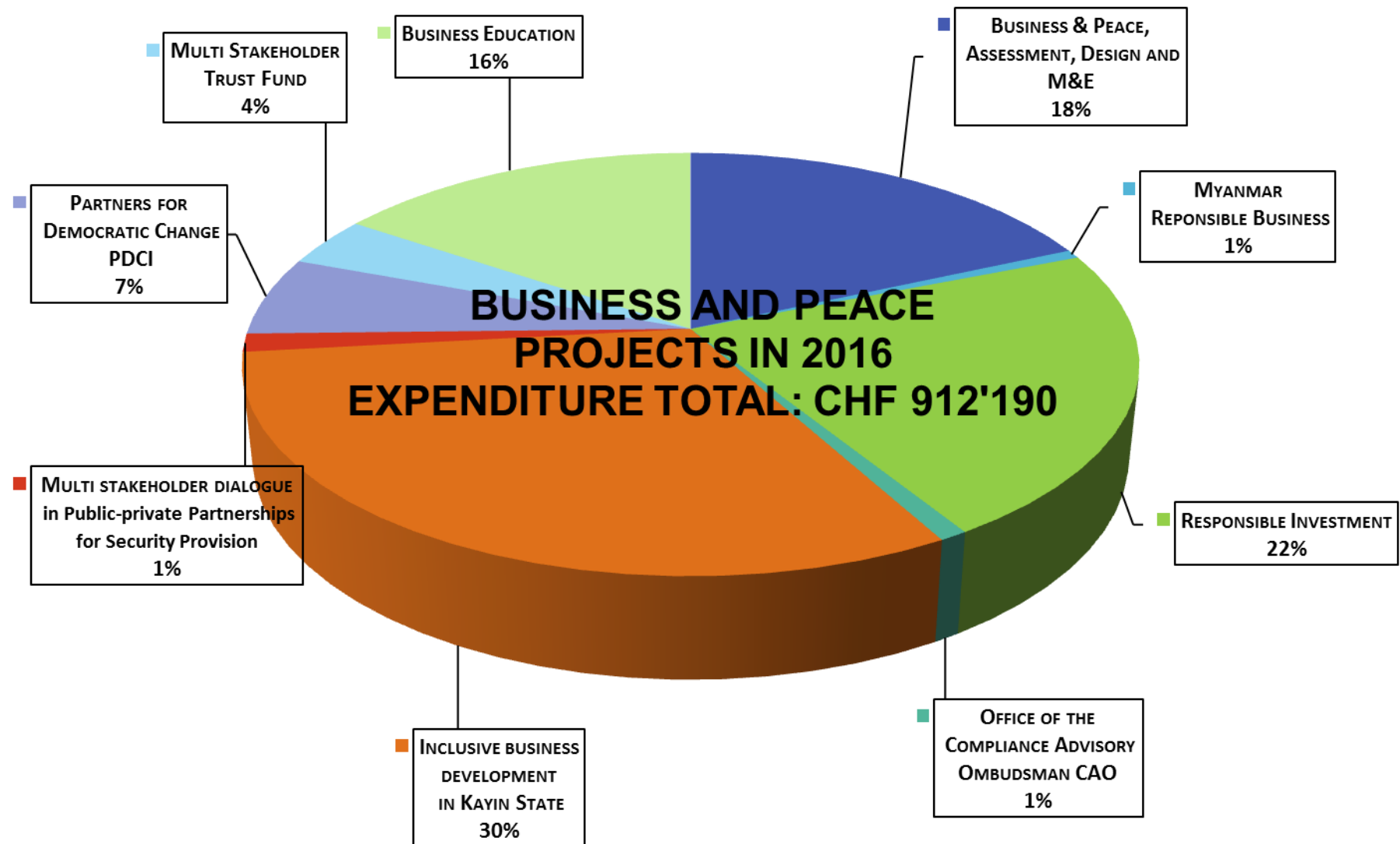
The overall spending of PeaceNexus in 2016: **CHF 3'011'694**

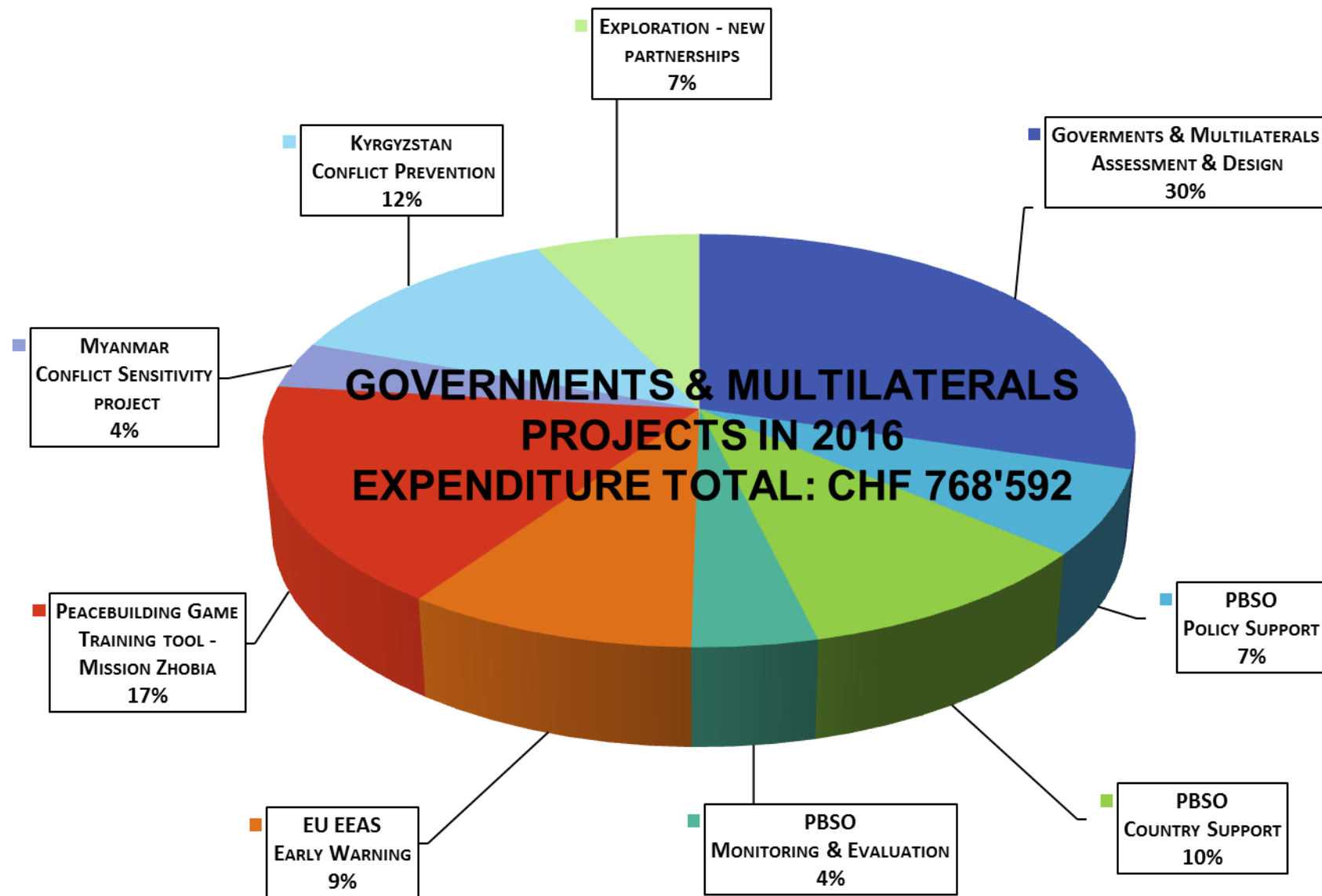
Project spending per sector:

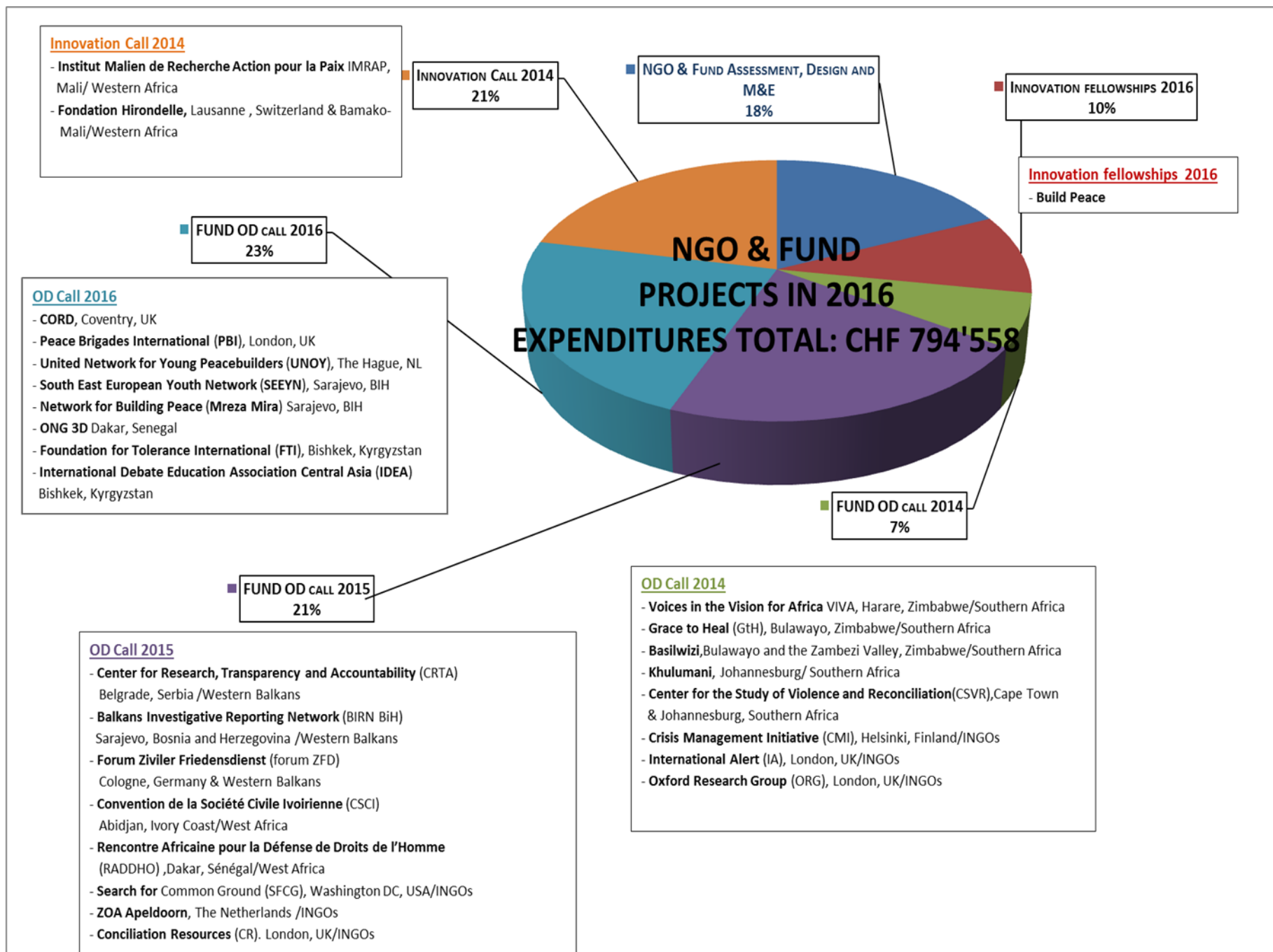
- NGO support **CHF 794'558**
- Support to inter-/governmental agencies **CHF 768'592**
- Promoting responsible and conflict-sensitive business **CHF 912'190**

Total **costs for projects: CHF 2'475'340** of which **61.3%** was spent on external and **38.7%** on internal **expertise**.

The **overhead** costs of the Foundation are: **CHF 536'355** or **17.8 %** of overall costs.









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