

MINISTRY OF FOREIGN AFFAIRS • MINISTRY OF DEFENCE • MINISTRY OF JUSTICE

STRATEGIC FRAMEWORK
FOR
THE PEACE AND
STABILISATION FUND
2023-2027

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1 INTRODUCTION

The Peace and Stabilisation Fund (PSF or Fund) is a catalytic and flexible instrument based on a Whole-of-Government Approach. It enables Denmark to contribute to stability and peace in fragile and conflict-affected contexts, and respond to emerging crises in line with Danish foreign and security policy priorities. The objective of the Fund is to develop regional, national and sub-national capacities to improve the conditions necessary for preventing the outbreak, escalation, continuation and recurrence of conflict. This means strengthening the ability of local communities and authorities to respond to and manage conflict through capacity development and institution building efforts.

The Fund is a unique mechanism, which brings together Danish diplomatic, development, defence, justice, and security instruments in a Whole-of-Government approach. This is done through joint financing, planning and implementation drawing from both Official Development Assistance (ODA) and non-ODA funding sources. The Danish authorities involved in the management of the Fund are the Ministry of Foreign Affairs (MFA), the Ministry of Defence (MoD), and the Ministry of Justice (MoJ). The Fund is implemented through three lines of implementation. Larger, multi-year peace and stabilisation programmes; a Strategic Response Facility (SRF) of unallocated ODA and non-ODA funds that enables decision makers to react quickly to emerging crises and opportunities in line with Danish foreign and security policy priorities; and an Advisory Support Facility of advisors from the Danish National Police, the MFA Deployment Facility for Peace and Democracy (DFPD), authorities under the Ministry of Defence and other Danish authorities, as well as MFA bilateral advisors placed in the multiyear PSF programmes.

Due to its flexibility, the Fund will play an important role for Denmark with regard to the Danish membership of the UN Peacebuilding Commission (PBC) in 2023-24 and the Danish candidature for a non-permanent seat on the UN Security Council (UNSC) for the period 2025-2026. In addition, the EU is assuming a larger role in the field of stabilisation, in particular through the military and civilian EU Common Security and Defence Policy (CSDP) missions, which are implementing stabilisation and crisis management mandates in fragile and conflict-affected countries. The Fund can be utilized to support this agenda due to its large contribution of advisors through the MFA Deployment Facility for Peace and Democracy (DFPD) and the Danish National Police to the EU civilian CSDP missions. This has become even more relevant after the Danish abolition of the defence opt-out and considering the Danish Presidency of the Council of the EU in 2025. Through the Fund, Denmark will also continue to support NATO

stabilisation efforts, among others through support to NATO missions, as well as trust funds such as defence capacity building¹ (DCB) initiatives both financially and through providing staff as voluntary national contributions.

The present Strategic Framework is complemented by a set of Guidelines, and together the two documents aim at making the Fund more fit-for-purpose based on experiences and outlines the main principles for the Fund for the period 2023-2027. The Framework and the Guidelines draw specifically on findings and recommendations from the 2022-evaluation of the Fund.² The evaluation concludes that the Fund remains a relevant instrument, but also proposes areas of improvement. This includes greater emphasis on in-depth and recurrent context and stakeholder analyses, and the need for a strengthened Whole-of-Government Approach, while enhancing the strategic use and complementarity of ODA and non-ODA funding. Moreover, the recommendations include a sustained focus on climate and security and mainstreaming of Women, Peace, and Security (WPS) into PSF programmes. Finally, the evaluation highlights the need for the programmes under the Fund to continuously focus on its complementarity to bilateral programmes and other Danish and international programmes and modalities, and, in particular, consider how the PSF can contribute to creating synergies with humanitarian and development programmes in line with the Humanitarian-Development-Peace (HDP) Nexus approach. For these purposes, the evaluation recommended that the Steering Group of the Fund should take a more strategic role and focus its meetings on providing strategic guidance.

The new Strategic Framework and Guidelines build on international lessons learned from the past two decades of peacebuilding and stabilisation efforts. From the outset in 2010, the Fund has recognised that peace and stability are multifaceted concepts and that progress towards them will only occur incrementally through a broad range of efforts from international, regional, national and local actors. Moreover, lessons highlight the need for a realistic level of ambition. Supported projects must be realistic about how they contribute to peace and stabilisation, and avoid trying to fix political problems with technical solutions, as well as recognize that sustainable results generally require long-term perspectives and time-lines.

Based on the evaluation and lessons learned, the Fund's core principles, modalities of implementation, activities, crosscutting priorities, Fund management and corresponding Guidelines have been updated.

2 BACKGROUND

Multiple, overlapping and mutually reinforcing crises have become a normality. The sources of conflict and instability are becoming ever more complex and interdependent, while existing

¹ Denmark has supported the DCB packages since its inauguration in 2014.

² [Evaluation of the Peace and Stabilisation Fund 2022](#).

collective security mechanisms are under strain as geopolitical tensions are rising. The Russian invasion of Ukraine has changed the security policy situation in Europe drastically. At the same time, as noted in the September 2022-report by the Danish Government's Security Policy Analysis Group, Denmark continues to face challenges such as international terrorism and irregular migration. Challenges that are likely to increase up to 2035.

This means that regardless of the changed security situation in Europe, fragile and conflict-affected countries will continue to face challenges. In 2022, 1.9 billion people were living in fragile contexts, and the number is expected to keep growing. This represents 24 percent of the world's population, but fragile contexts are home to 73 percent of the world's extremely poor people. Fragility also means that people are likely to be exposed to violence, food insecurity, forced displacement, and authoritarian oppression.³

In order to reach its objective, the Fund focuses on addressing the poverty dimension that relates to personal security.⁴ Against this background, the Fund is an important contribution to the implementation of Denmark's strategy for Development Cooperation and Humanitarian Action ("The World We Share 2021-25") with its focus on preventing and combating poverty and inequality, conflict and displacement in fragile contexts. It is also an integral part of the Danish "Foreign and Security Policy Strategy 2022" where it is mentioned that *'we will make use of the entire range of foreign and security policy instruments that we have in our toolbox in order to create long-lasting, sustainable stabilisation'*.⁵ The Fund was partly founded on the Danish Defence Agreement 2010-2014 and has continued to be part of subsequent Danish Defence Agreements including for the period 2018-2023.

The Fund contributes to the Sustainable Development Goals (SDG) and prioritises SDG 16 (peace, justice and strong institutions) by focussing on prevention of conflict, peacebuilding and stabilisation in and around fragile and conflict-affected contexts. Due to the broad scope of the instrument, several other SDGs are also directly addressed by the Fund. These include among others SDG 1 on No Poverty, SDG 5 on Gender Equality, SDG 13 on Climate Action, and SDG 17 on Partnerships for Goals.



³ Data from [OECD States of Fragility 2022](#)

⁴ See [Approach note - Fighting Poverty and Inequality](#) for more information about the MFA approach to poverty, including the multidimensional poverty concept

⁵ The MFA has elaborated on its approach to peacebuilding and stabilisation in internal guidance on how to implement "The World We Share", which also informs the Fund: [How-to - Peacebuilding and Stabilisation](#) and [Approach - Securing the coherence between humanitarian aid, development cooperation and peacebuilding \(HDP-nexus\)](#)

3 CORE PRINCIPLES OF THE FUND

The Fund is distinct from other Danish instruments due to its Whole-of-Government Approach that takes its point of departure in a combination of foreign, security and development policies and priorities. This allows it to utilise civilian and military resources to focus on, e.g. capacity development of security forces, maritime security, countering terrorism and preventing and countering violent extremism (CT/PCVE), combatting transnational organized crime, as well as mediation activities.

Due to its relatively small size, the Fund must be used strategically and draw from its comparative advantages to complement other engagements such as military operations or funding flows with similar strategic objectives. For the MFA, this means that the Fund should be utilised only when other instruments, such as bilateral development programmes, are unable to fund the programmes or projects concerned. Thus, the scope of PSF programmes is dependent on which other Danish development instruments are in play in the context. In some areas where the MFA has no bilateral country programme, such as Syria and Iraq, the PSF programme covers a broad range of projects contributing to stability and peace. In a different context, some of these could have been included in a bilateral country programme. In the Horn of Africa, on the other hand, Denmark has large bilateral development programmes. In this case, the PSF programme focuses on cross-border issues or thematic areas such as maritime security, transnational organised crime, CT/PCVE, and security sector reform, thus complementing other bilateral engagements.

In order to ensure that the Fund fully uses its comparative advantages, decisions whether to launch or renew PSF programmes as well as decisions related to their scope and focus will be justified according to the following core principles:

1. **PSF programmes will follow a Whole-of-Government Approach.**⁶ This remains the most important principle of the Fund and ensures that it is used to implement Danish foreign and security and development policies. The approach involves joint MFA and MoD analysis, planning, implementation, and financing of PSF programmes. This also means that the Fund is able to draw from both ODA and non-ODA sources of funding, which broadens the type of activities the Fund can support to achieve its objectives.⁷ The Whole-of-Government Approach also aims at strengthening linkages and synergies between Danish advisors and supported programmes and projects. This includes synergies

⁶ According to OECDs definition, a Whole-of-Government Approach (WoGA) is an approach where a government actively uses formal and/or informal networks across the different agencies within that government to coordinate the design and implementation of the range of interventions that the government's agencies will be making in order to increase the effectiveness of those interventions in achieving the desired objectives. (OECD 2007a: 14)

⁷ Management of the Fund's programmes will focus on recommending adaptation to changes in the context. Adaptation is actively encouraged. The Doing Development Differently approach will be applied.

between PSF programmes and seconded advisors from the MFA, MoD, Danish National Police and others in order to strengthen the civil-military approach. Given the political aspects of peace and stabilisation work, programmes will often have to be implemented along with a diplomatic effort to achieve results.

- 2. Where relevant, PSF programmes will be used to support strategic alliance building and partnerships.** Danish participation in strategically important partnership arrangements can be facilitated by the Fund as a foreign and security policy instrument. Long-term strategic partnerships in PSF programmes provide an important platform for political dialogue. Moreover, the Fund provides a platform where MoD contributions can facilitate diplomatic access. This is especially salient in a time of great power competition over influence in countries where the PSF is active, not least in Africa. Thus, the Fund provides opportunities to build alliances and promote the influence of Danish foreign and security policy interests on various platforms - globally e.g. in support of the Danish membership of the PBC and potentially UNSC as well as regionally and nationally. Moreover, the PSF is the mechanism that enables the MoD to engage in civil-military cooperation in the global south.
- 3. A regional approach must be considered in PSF programmes.** By adopting a regional approach, PSF programmes are able to address cross-border factors affecting more than one country (for example, transnational organised crime, climate-related conflict, maritime crime, and CT/PCVE, including financing of terrorism and violent extremism). It can address conflict dynamics that have ‘spill-over’ effects amongst neighbours in a geographic region, without being confined to working within a single country at a time.⁸ The regional approach is also a way to add to the Fund’s responsiveness vis-à-vis other instruments.

The following characteristics determine the use of the Fund when it comes to analysis, planning, implementation, and financing:

- 1. Agility.** The Fund will apply a flexible and adaptive approach to programming as a means to achieve tangible results. It can react quickly to emerging crises or opportunities due to built-in unallocated funds (up to 25%) in PSF programmes, but especially through use of its Strategic Response Facility (SRF). The SRF is a flexible and catalytic tool that can be used as a “first mover” instrument to respond to emerging crises, and thus be a catalyst for potential larger Danish engagement or used to attract additional partners. The SRF can also be used in parallel with acute humanitarian relief in conflict-affected contexts, with full respect for the humanitarian principles. For example, this has been done in Ukraine, where the PSF has complemented Danish humanitarian support with rapid and flexible support

⁸ A regional focus is not mandatory for the PSF, but it should always be considered as an addition to the national/local focus of interventions during the preparation process for new programmes.

to documentation and investigation of war crimes. Lastly, the SRF and unallocated funds can be used to respond to priority initiatives and engagements, emerging opportunities, or similar needs. The PSF Guidelines accommodate a responsive and flexible approach by including a fast-track approval process that can be used in extraordinary situations.

2. **Risk willingness** means that, within the limits set by political leadership, the Fund is able to support peace and stabilization efforts involving higher than normal levels of political, operational and administrative risk. Such situations occur, for example, where contextual developments are unpredictable, where there is limited scope for direct access to stakeholders, and where close monitoring and political dialogue may be difficult. It means acknowledging up front that projects may need to be reworked or fail because they are aimed at creating change in difficult contexts or trying something new. While the PSF is risk willing, all risks – whether political, operational or administrative - must nonetheless be identified, monitored, mitigated and managed.
3. **Complementarity.** The Fund applies the Doing-Development-Differently (DDD) principle of complementarity aiming at achieving a holistic use of Danish engagements and instruments. This means ensuring that PSF programmes are integrated into relevant MFA Country Strategic Frameworks, where relevant, as well as coordination, complementarity and synergies with relevant bilateral development programmes and other humanitarian and development instruments. The Fund focuses on the *peace pillar* in the HDP Nexus and aims at contributing to shared goals across the Nexus, building on its comparative advantages and synergies with humanitarian and development engagements as well as other peace engagements such as the Africa for Peace Programme (APP). In order to strengthen complementarity, the Fund will seek to align the timing of programme formulation with other processes, most prominently the MFA Country Strategic Frameworks and MoD identification of military options.

4 STRUCTURE OF IMPLEMENTATION

The Fund is implemented through three lines of effort: Larger multi-year programmes; a Strategic Response Facility for emerging crises and unforeseen needs and priorities; and an Advisory Support Facility.

The Fund aims at achieving, by 2025 and onwards, a balance of 80 percent of its budget for programmes (including non-allocated resources within programmes) and 20 percent for the SRF⁹. This allocates the main share of the budget to long-term commitments to support peace and stabilisation in prioritised regions, allowing the analytical depth and necessary time to engage

⁹ Advisory support is funded directly by the National Police and from the MFA's DFPD. In addition, PSF programmes can also have other types of advisors posted with key partners. These advisors are funded directly through the PSF programmes.

in effective and sustainable capacity development activities through long-term partnerships. It also reserves a sizeable amount to respond to emerging crises where a narrow window of opportunity makes it necessary to have faster processes in place. ODA and non-ODA funds will be used to create synergies between the lines of implementation.

The size of the annual budget of the Fund has fluctuated since its establishment in 2010. The financial resources have increased from DKK 155 million in 2010 reaching approximately DKK 600 million in 2023. Out of this, the MFA funds constitute around 75%, with an overwhelming majority of ODA-funding. The share of MFA funding has increased from roughly 65% in 2014 to 75% in 2023. The advisors from the MFA Deployment Facility for Peace and Democracy (DFPD) and Danish National Police are funded through separate budget lines by the MFA and MoJ.

4.1 Peace and Stabilisation Programmes

The majority of the Fund is allocated to multi-year programmes consisting of several projects. Due to the protracted nature of crises in the regions where the PSF has been engaged for multiple years, the majority of programmes have been implemented in several phases and are likely to be renewed. PSF programmes have a long-term focus and the current phases of the programs run until 2025 and 2026. These include Syria and Iraq (Phase III 2022-2025); Ukraine (Phase II 2022-2025); Georgia (2023-2026); Sahel region (Mali, Niger and Burkina Faso) (Phase II 2018-2023); Maritime security in the Gulf of Guinea (Nigeria and Ghana) (Phase III 2022-2026) and Horn of Africa (Somalia, Kenya and Ethiopia) (Phase IV 2023-2026)¹⁰. In addition, there are individual long-term multilateral engagements such as non-ODA contributions to the MoD UN Pooled Fund¹¹, and ODA contributions to the UN Peacebuilding Fund etc.

For programmes, the Whole-of-Government Approach means joint analysis, planning, monitoring and reporting. Concerning implementation, the individual projects in the programme portfolio are divided between the two ministries and joint implementation of individual projects is rare. This means that the majority of MFA projects are implemented through partner organisations, mainly through UN agencies as well as international and local NGOs and national and regional authorities¹², while MoD projects are self-implemented, i.e. by the Defence Command Denmark, Danish Home Guard and the Danish Emergency Management Agency.

¹⁰ The Fund may start new programmes, adjust existing one, and even expand their geographical scope according to contextual changes.

¹¹ The Ministry of Defense has since 2012 distributed its UN pooled funds to projects and initiatives supporting the UN's ability to carry out peacekeeping and stabilization efforts. The overall purpose of the UN pooled funds is to support tangible initiatives, which contribute to the UN's peacekeeping efforts. The funds are granted according to themes of priority rather than geographic areas. In this way, they will seek to improve the UN's ability to carry out peacekeeping work across the entire organization.

¹² The MFA also works through delegated and joint cooperation arrangements. See Guidelines for more information.

4.2 Strategic Response Facility

As mentioned above, the Fund aims to retain 20% of the annual budget unallocated to respond to emerging crises and as a reserve to be used ad-hoc as new situations for engagement arise. The Strategic Response Facility (SRF) will be allocated to initiatives in line with foreign and security and development policy priorities. Smaller PSF projects (up to DKK 10 million) have the option of quick approval through a fast-track process, thereby making the Fund able to respond in a timely manner to emerging crises or tensions. All projects should include a longer-term perspective so that even short-term interventions take account of how they contribute to building sustainable peace and stability.

In order to strengthen the Whole-of-Government Approach of the SRF, inter-ministerial priority papers will be drafted to give guidance on how to prioritize engagements in thematic areas of importance for the MFA, MoD, and MoJ. The papers will outline joint inter-ministerial priorities in selected thematic areas such as CT/PCVE, cyber resilience, disinformation and transnational organised crime. The aim is to strengthen collaboration between ministries and synergies between projects in the SRF.

4.3 Advisory Support Facility

The advisory support facility of the PSF consists of advisors from the MFA Deployment Facility for Peace and Democracy (DFPD), advisors from the Danish National Police, as well as advisors from the authorities under the MoD and potentially other Danish authorities. Finally, seconded bilateral advisors from the MFA can also be included as part of the PSF programmes. Here, advisors play a key role in supporting and sustaining strong partnerships. The inclusion of the Advisory Support Facility in the PSF is a new initiative, which aims to strengthen synergies among advisors and between programmes and the advisory capacities so that Danish expertise is used effectively.

- The DFPD is a mechanism that facilitates the deployment of civilian advisors to stabilisation and crisis management missions in an agile and flexible manner through open calls. Typically, crisis management advisors will be seconded to the EU civilian CSDP missions, but secondment to other entities, such as UN missions is also a priority¹³.
- Advisors from the Danish National Police are predominantly seconded to EU CSDP missions as DFPD advisors, but have also been deployed to support implementation of PSF programmes, e.g. in the Horn of Africa in relation to combatting transnational organized crime and maritime security in the region. In addition, the Danish National Police has a pool of trainers to support training and capacity development of local police, civil defence, coast

¹³ The DFPD also includes a pool of election observers, which are not part of the Fund.

guard units etc.

- Besides from the DFPD and National Police advisors, the PSF is funding military advisors (using non-ODA funds) to support non-ODA funded projects/programmes. In order to support Danish projects a pool of military advisors or trainers from the Danish Defence is under development.

With due regard to increasing synergies between engagements, priority will be given to deployments in geographical and thematic areas of strategic importance to Denmark, including to countries that are on the agenda of the PBC or the UNSC, and where they can underpin diplomatic efforts and alliance building.

5 ACTIVITIES

As outlined above, the overall aim of the Fund is to develop regional, national and sub-national capacities to improve the conditions necessary for preventing and responding to the outbreak, escalation, continuation and recurrence of conflict. While peace and stabilisation projects often involve strengthening capacities and institutions over a medium to longer period, they can also be required to work on more short-term dynamics. In all cases, activities should be locally driven to the extent possible. The following list illustrates the type of initiatives that are usually supported through the Fund, but should not be considered exhaustive:

- Capacity development of regional, national, and sub-national institutions - both civilian and military – as well as organisations (including CSOs). Depending upon the specific contextual needs, this could e.g. include actors in the security sector including national police forces.
- Countering terrorism and prevention and countering of violent extremism (CT/PCVE) which is a broad intervention area but can include preventative efforts involving local and national authorities and well as civil society, disengagement efforts, capacity development of security services promoting human-rights compliant counter-terrorism efforts.
- Countering transnational organised crime and illegitimate financial flows, including networks that support irregular migration, human trafficking, and financing of terrorism and violent extremism.
- Human rights monitoring and other accountability measures aimed at preventing and prosecuting violations of human rights and international humanitarian law in regards to violations committed by military and police forces.
- Prevention and countering of disinformation and cyber-attacks.

- Strengthening maritime security, e.g. through countering maritime crime and piracy by focusing on capacity development of relevant maritime, law enforcement and judicial authorities and regional information- collection and sharing. Part of activities are co-operation through various regional maritime security mechanisms.
- Stabilisation facilities and similar instruments with the main objective of providing a peace dividend to local communities
- Mediation, reconciliation processes and peace negotiations including political dialogue, and potentially transitional justice efforts.
- Arms control, non-proliferation and disarmament, including monitoring of national and international commitments.

6 CROSSCUTTING PRIORITIES

The following crosscutting priorities should be considered in all PSF programming and included where possible, although Women Peace and Security, in particular, may also be a topic for specific projects in its own right. As the themes follow from Danish priorities defined in *The World We Share*, they emphasize the common ground between the PSF and other Danish development instruments, although tailored to fragile and conflict-affected contexts.

6.1 Women, Peace and Security

PSF programming will include a Women, Peace and Security (WPS) and gender analysis to ensure that interventions expressly address the possibilities for strengthening WPS. The priority attached by Denmark to gender equality and strengthening the role of women is described in “Denmark’s national action plan for UNSCR 1325 – Women, Peace and Security, 2020-2024). The [Guidance note for Women, Peace and Security](#) sets out the parameters for strengthening women’s inclusion in peacebuilding and stabilisation.

6.2 Climate, Peace and Security

Climate change has long been recognized as a threat multiplier, manifestly exacerbating the drivers and root causes of violent conflict and instability, for instance in terms of more widespread competition for scarce natural resources. This is particularly acute in situations characterized by fragility and conflict. As the climate crisis worsens, it is imperative that peace and stability interventions understand and attempt to identify, assess and mitigate climate-related security risks. Thus, it is important that PSF programmes take into account the effects of climate change in the process of developing conflict analyses and in the actual programming, e.g. see [Guidance note on Climate adaptation, Nature and Environment](#).

6.3 Youth, Peace and Security

Youth represents a major capacity for peacebuilding and stabilisation. Conversely, excluded and marginalised youth represent a major risk, especially in countries with high proportions of young people compared to other age groups. PSF programming will assess the scope for strengthening the inclusion and participation of youth in political and peace processes, in peacebuilding, as well as in recovery and reconstruction efforts, as outlined in UNSCR 2250 and as set out in the [MFA guidance notes](#) on Youth in Development.

7 FUND MANAGEMENT

The Fund is governed by the Peace and Stabilisation Steering Group (PSSG), which is an inter-ministerial body consisting the MFA, MoD and MoJ. The PSSG discusses and recommends PSF programmes, adjustments and projects under SRF for approval by the relevant minister or head of unit. Moreover, it discusses and approves priorities for deployment of advisors from the DFPD and National Police.

Finally, it provides strategic guidance on matters related to the funding, planning, implementation, and reporting of the PSF, whereas responsibility for setting the overall strategic direction on foreign, security, and development policy matters is outside of the scope of the PSSG.

The PSSG is supported by the Peace and Stabilisation Secretariat (PSS), which is comprised of staff from the MoD and MFA. The main responsibilities of the PSS are to prepare PSSG meetings, provide guidance on PSF programming and ensure that potential synergies and learning across the PSF are optimised.