

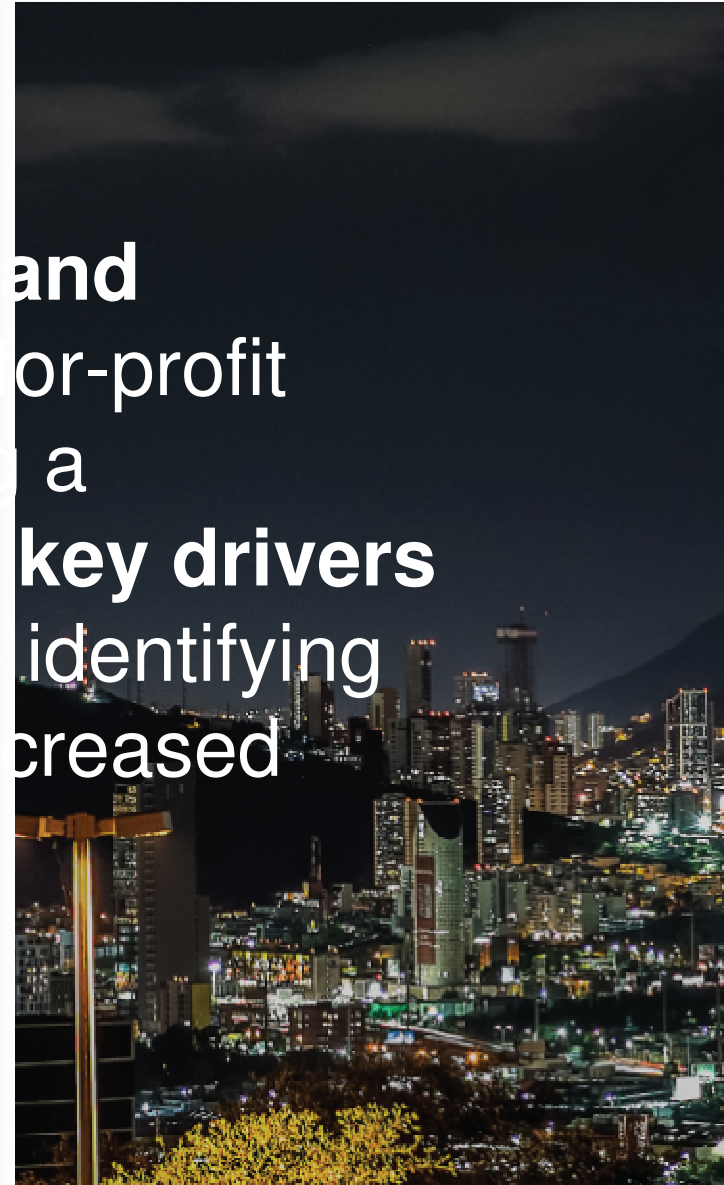
INSTITUTE FOR  
ECONOMICS  
& PEACE

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**THE COST-EFFECTIVENESS OF  
PEACEBUILDING**

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“ The Institute for Economics and Peace is an independent, not-for-profit think tank dedicated to building a **greater understanding** of the **key drivers** and measures of peace and to identifying the **economic benefits** that increased peacefulness can deliver.



## Global economic impact and cost of violence

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Estimated to be \$13.6 trillion (2015 PPP)



Economic effect related to  
*'containing, preventing and dealing with the consequences of violence'*



Allows cost benefit analysis

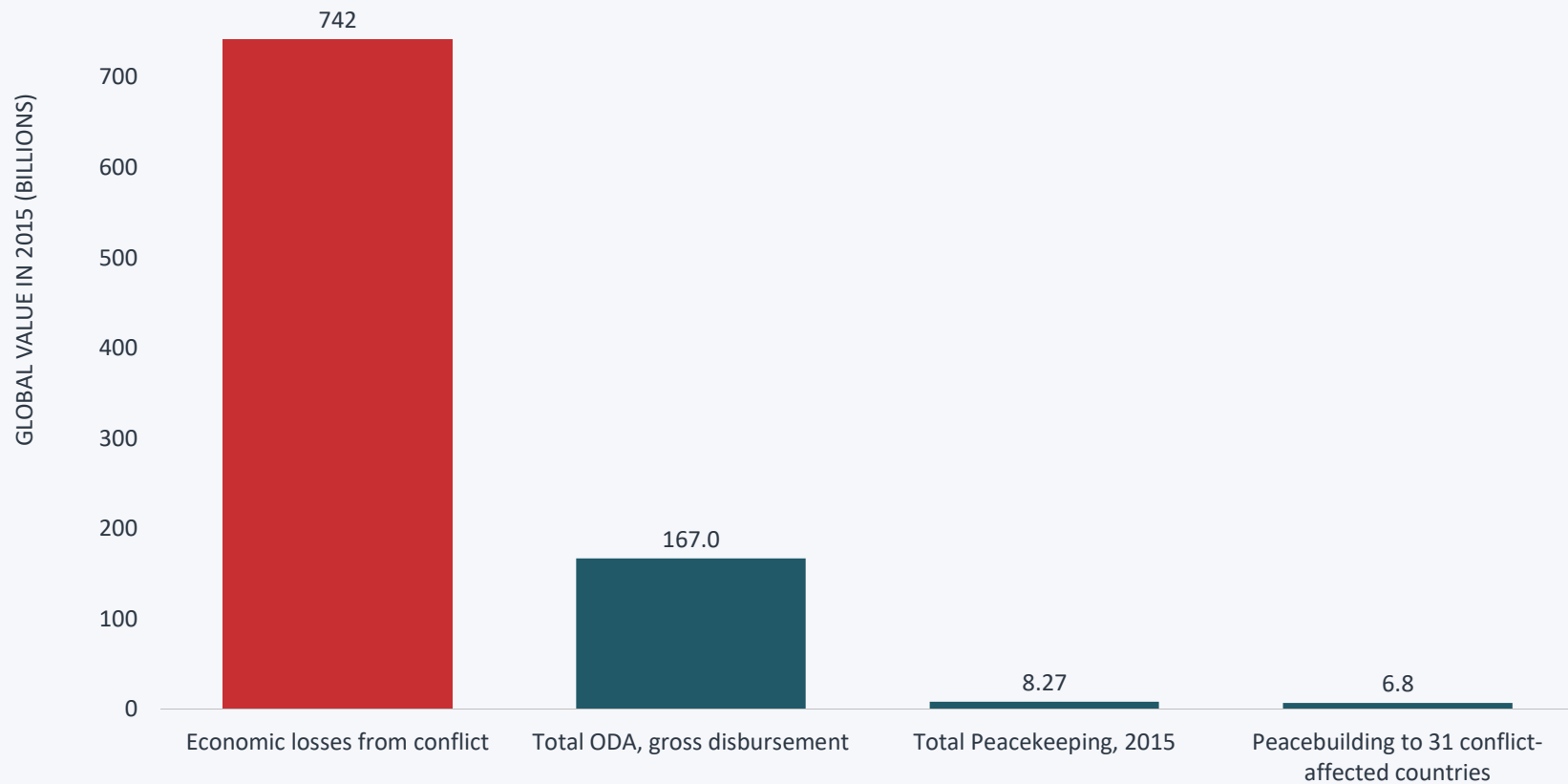


16 dimensions



# Conflict costs far exceed peacebuilding

*Peacekeeping and peacebuilding accounts for two percent of the cost of conflict.*



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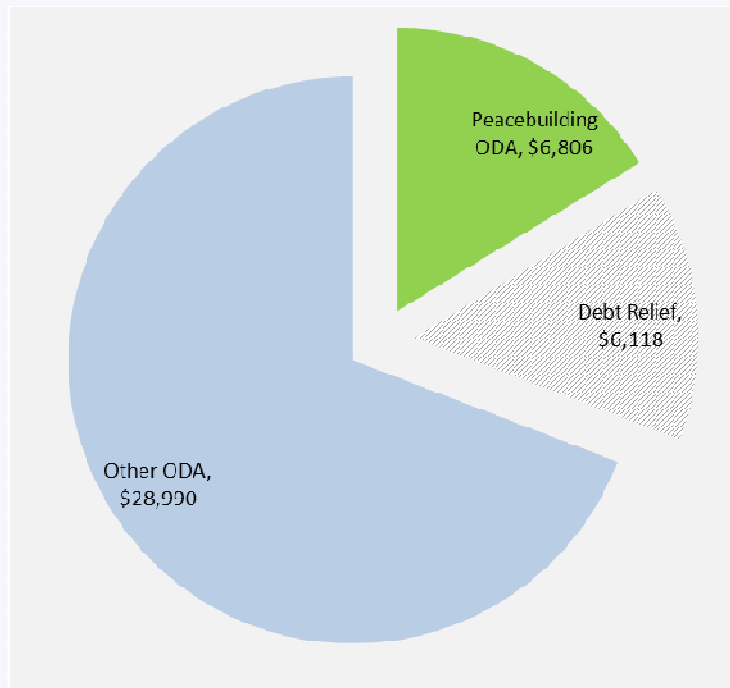
# ISSUES IN MEASURING PEACEBUILDING

- There is no single agreed upon definition of peacebuilding which has inhibited practical research efforts to assess its effectiveness and efficiency.
- IEP's proposed definition of peacebuilding synthesizes both qualitative and quantitative approaches to peacebuilding.
- There are important conceptual limitations that need to be recognised in attempting to measure the cost-effectiveness of individual peacebuilding projects. Existing efforts to measure the effectiveness of peacebuilding all recognize the huge problem of jumping from **measuring outcomes** to **measuring impact**.
- The key is to first assess the effectiveness of **particular peacebuilding strategies** and then aim to measure individual program effectiveness in the context of those broader peacebuilding strategies.

Domain	Number	Category description	CRS Code
1. Basic Safety and Security	1.1	Security system management and reform	15210
	1.2	Reintegration and SALW control	15240
	1.3	Removal of land mines and explosive remnants of war	15250
	1.4	Child soldiers (Prevention and demobilization)	15261
	1.5	Participation in international peacekeeping operations	15230
Other		Other specific peace-related expenses	
	2.8	Civilian peacebuilding, conflict prevention and resolution	15220
2. Inclusive political Processes	2.1	Legal and judicial development	15130
	2.2	Legislatures and political parties	15152
	2.3	Anti-corruption organizations and institutions	15113
	2.4	Democratic participation and civil society	15150
	2.5	Media and free flow of information	15153
	2.6	Human rights	15160
	2.7	Women's equality organizations and institutions	15170
3. Core Government Functions	3.1	Public sector policy and administrative management	15110
	3.2	Public finance management	15111
	3.3	Decentralisation and support to subnational government	15112

# CURRENT PEACEBUILDING EXPENDITURE

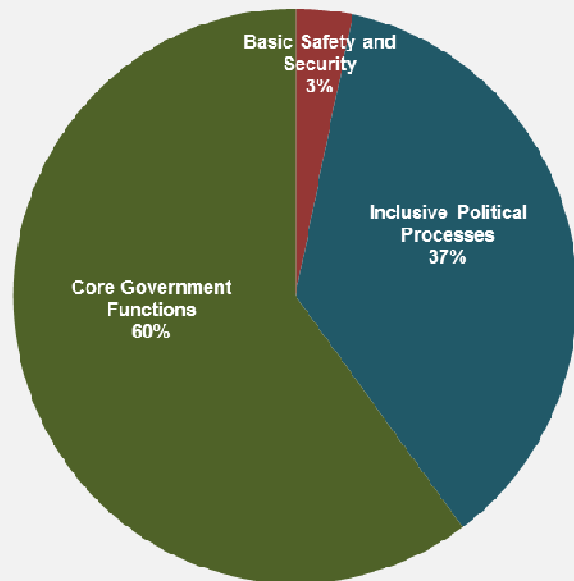
Donor-funded peacebuilding expenditures are a relatively small proportion of the total aid budget.



Peacebuilding vs other ODA, Conflict-Affected Countries, 2013

## CASE STUDY: PEACEBUILDING IN RWANDA

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Peacebuilding Commitments by Category, Rwanda, 1995-2014,

# IS PEACEBUILDING COST-EFFECTIVE?

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- Increased funding for peacebuilding would be beneficial to peacebuilding and would increase economic returns to the global economy.
- Using 20 years of peacebuilding expenditure in Rwanda as a guide for establishing a unit cost, IEP estimates the cost-effectiveness ratio of peacebuilding at 1:16.
- The total peace dividend the international community would reap if it increased peacebuilding commitments over the next ten years is US\$2.94 trillion. This would require more than doubling the peacebuilding assistance currently directed to the 31 most fragile and conflict-affected nations.



# FUTURE RESEARCH

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- Stage 1: Statistical Modelling at the Global Level – *Does increased peacebuilding expenditure lead to falls in conflict?*
- Stage 2: Statistical Modelling at the Global Level - *Are certain types of peacebuilding more effective than others?*
- Stage 3: Cost-Effectiveness Analysis at the National/Local Level – *Are certain types of programs more cost-effective than others?*
- May be impossible to move from stage 2 to stage 3. The key issue is being able to compare different types of programs, in order to do that, we have to be able to measure impact (increasing peacefulness) rather than just outcomes (project specific).