

Why inclusive rural transformation is vital to address large-scale migration and forced displacement

KEY ENTRY POINTS FOR POLICYMAKERS

The United Nations General Assembly (UNGA) will host a high-level meeting (HLM) on 19 September 2016 to agree on a number of global commitments to address large-scale movements of refugees and migrants.¹ This will be followed on 20 September by a Leaders' Summit on the Global Refugee Crisis, hosted by the President of the United States. A Declaration with two annexed Global Compacts is to result from the HLM, with timelines and frameworks for action on each of these two phenomena.

This is the first time that the UNGA has called for a summit on refugees and migrants, but both issues have been on the agenda of many international forums in recent years – from the May 2016 World Humanitarian Summit to meetings of the G7, G20 and others. These have addressed a diverse range of issues, from better managing the humanitarian aspects of forced displacement to how to facilitate and leverage migrant remittance flows for inclusive and sustainable development.

Many elements of a positive consensus have emerged from recent forums and are visible also in the draft outcomes of the HLM, related to how the international community can help address both the causes and the manifestations of large-scale population movements in the context of a global commitment to the 2030 Agenda. However, the rural dimensions of these phenomena remain poorly understood and under-appreciated in global policy debates. These dimensions deserve greater and more explicit recognition, starting from the commitments to be agreed at the September 2016 meetings in New York. This note highlights five key entry points for this, for the attention of global policymakers.

FORCED DISPLACEMENT AND LARGE-SCALE MIGRATION AS MAJOR INTERNATIONAL PHENOMENA

According to the United Nations High Commissioner for Refugees (UNHCR), by the end of 2015, 65.3 million people around the world were forcibly displaced. There is widespread recognition that this risks reversing recent progress in reducing poverty and hunger. It also undermines prospects of achieving poverty eradication and the 2030 Agenda.

At the same time, economic migration affects approximately one billion people globally – conservative estimates put the number of international migrants at 244 million, compared with 763 million internal migrants.² In 2016, international migrants are expected to send home to developing countries US\$480 billion – US\$200 billion to rural areas – the single largest flow of international “development” finance (after foreign direct investment). While data is unavailable for internal transfers, these are expected to reach a higher number of households.

Remittances provide access to food, education and health for millions of people. They can give migrants and their families the opportunity to access other financial products and services, such as savings and credit. Moreover, diaspora investments can play an important role in fragile situations where international investors are discouraged from operating. In many areas, remittances and diaspora investments have driven employment creation and entrepreneurship, and they have supported investments in a number of sectors – including agriculture and food systems.

¹ Draft text is available at: <http://www.un.org/pga/70/wp-content/uploads/sites/10/2015/08/HLM-on-addressing-large-movements-of-refugees-and-migrants-Draft-Declaration-5-August-2016.pdf>.

² UNDESA. 2013. Cross-national comparisons of internal migration: An update on global patterns and trends. Population Division Technical Paper 2013/1. New York: UNDESA.

THE RURAL DIMENSIONS OF MASS MIGRATION AND FORCED DISPLACEMENT

Conflict- and distress-driven mass migration (as well as climate-driven displacement) have important rural dimensions. Indeed, they are often predominantly rural phenomena. Instability, conflict and migration are frequently the result of factors that undermine the viability of rural livelihoods – for example, climate change, natural resource degradation, environmental and market shocks, and lack of decent employment opportunities, especially for young people. Increased incidence of droughts and extreme weather events, and greater competition over scarce natural resources – often most pronounced in rural areas – strain the social fabric of communities and societies, leading to instability and potentially to political unrest and violent conflict. Also noteworthy is the trend for almost all planned and self-settled refugee camps to be located in rural areas.³ Because of their poverty, remote locations, often poor state of public services and reliance on risk-prone agriculture systems, rural areas are generally particularly vulnerable to both the drivers and the consequences of fragile situations. Therefore, refugees hosted in rural areas tend to be harder to reach and rural host communities often have fewer resources and jobs to spare.⁴

Thriving rural areas can play a critical role in supporting sustainable and inclusive economies, societies and food systems in situations of fragility. Historically, a vast literature⁵ shows how increases in the incomes of small-scale rural producers set in motion virtuous circles in which these increases are followed by rapid growth in the non-farm sector, accompanying structural transformation and rapid poverty reduction. Policies and investments facilitating linkages between smallholder agriculture and other rural sectors and urban areas and markets have also proved to be critical to generate opportunities in rural areas and for rural people that mitigate migration pressure and promote social and economic inclusion.

FIVE KEY IMPLICATIONS FOR GLOBAL DECISION MAKERS

In drafting a new international consensus on how to address mass migration and forced displacement, there are five key entry points for policymakers and development partners to ensure that the rural dimensions of these phenomena are effectively addressed.

1. Addressing the rural drivers of fragility

Given that fragility is both a cause and a consequence of entrenched rural poverty, addressing the rural dimensions of fragility and conflict is a precondition for an effective global response to forced displacement. Priority areas include inclusive and effective governance of natural resources (land, water, forests, biodiversity), fostering inclusive rural organizations, and strengthening local governments and services. Particular attention should go to the social inclusion and the social, economic, and political empowerment of rural women and young rural people.

2. Investing in making rural areas better places to work and to do business in

Reducing migration pressure from rural areas requires investing in thriving rural economies, where today's rural youth, in particular, can build livelihoods that meet their aspirations. This means moving beyond a focus on poverty reduction to tapping into opportunities related

3 Based on data extracted from: UNHCR. 2016. Global trends: Forced displacement in 2015. Geneva: UNHCR.

4 According to World Bank data, about 78 per cent of the world's population who live in extreme poverty are in rural areas (see: <http://www.worldbank.org/en/news/feature/2014/11/12/for-up-to-800-million-rural-poor-a-strong-world-bank-commitment-to-agriculture>).

5 For example: (i) Byerlee, D., De Janvry, A. and Sadoulet, E. 2009. *Agriculture for development: Toward a new paradigm*. Annual Review of Resource Economics. 1: 15-31. Available at: http://are.berkeley.edu/~esadoulet/papers/Annual_Review_of_ResEcon7.pdf; (ii) Ellis, F. 2013. *Topic guide: Agriculture and growth*. London: Evidence on Demand; (iii) Hazell, P. et al. 2007. *The future of small farms for poverty reduction and growth*. Washington, D.C.: International Food Policy Research Institute; (iv) de Janvry, A. and Sadoulet, E. 2010. *Agricultural growth and poverty reduction: Additional evidence*. The World Bank Research Observer. 25 (1). Available at: <http://wbro.oxfordjournals.org/content/25/1/1.short>; (v) Timmer, P.C., 2005. *Agriculture and pro-poor growth: an Asian perspective*. Working Paper 63. Washington, D.C.: Centre for Global Development; and (vi) World Bank. 2007. *World development report 2008: Agriculture for development*. Washington, D.C.: World Bank.

to the growth of urban food markets, decentralized urbanization and rural economic diversification, as well as those provided by modern technologies (for energy supply, information and communication technology, agricultural production, processing, and so forth) to generate rewarding economic opportunities in the rural sector. It requires making rural areas better places to invest in and do business in, starting from local investors – small-scale producers, processors, rural small and medium-sized enterprises.

3. Building resilience in rural livelihoods

There is a need to better bridge short-term humanitarian interventions and development by focusing more on investments that promote resilience in rural livelihoods, with particular emphasis on agriculture. One critical area in this regard concerns building resilience to climate change among smallholder farmers – the vast majority of the world’s farmers and the backbone of food systems in most low-income countries. The Paris Agreement on climate change provides a major opportunity to advance the agenda of climate resilience in agriculture through robust national plans taking a holistic approach that embraces technology, know-how, institutional development, and new approaches for financing and investment.

4. Leveraging and multiplying the positive impacts of remittances on rural development

Facilitating efficient, reliable and safe channels for remittances and supporting initiatives to leverage the impact of diaspora investments are becoming even more critical international priorities. In this context, there needs to be greater focus on rural areas, which all too often lack access to formal financial service providers. In addition, linking remittance facilitation initiatives to rural financial inclusion is critical, as is scaling up and adapting successful remittance-based investment models to channel diaspora investment in fragile areas.

5. Supporting host rural communities to integrate forcibly displaced populations and migrants

The concentration of refugee camps in rural areas that are already struggling in terms of access to productive land, natural resources and employment places immense pressure on host communities, on refugees and on food systems. It is imperative that internationally agreed frameworks for action recognize the need to target refugee families and host communities through specific financing initiatives to enable the communities to support the displaced people and to build their capacity to contribute to their host communities.

IFAD’S CONTRIBUTION TO ADDRESSING THE RURAL DIMENSIONS OF MIGRATION AND DISPLACEMENT

The International Fund for Agricultural Development (IFAD) is a specialized agency of the United Nations dedicated to eradicating rural poverty in developing countries through investment in poor rural women and men – including rural youth – and in smallholder agriculture, in partnership with governments and others. These investments aim both to strengthen the capabilities of rural women and men and to contribute to making rural areas better places to live, work, invest in and build a future for hundreds of millions of individuals and households. All of IFAD’s work contributes to addressing some of the drivers of distress-driven migration and displacement. In addition, IFAD funds specific initiatives that address drivers of rural fragility, strengthen the resilience of smallholder farmers to a range of stressors and shocks, support the empowerment of migrants, and leverage remittance flows and diaspora investments in rural areas. For example:

- IFAD works to improve natural resource governance and to resolve and reduce disputes over natural resources between nomadic communities, settled communities and farmers in a number of countries, through dialogue platforms coupled with investments in land demarcation, restoration of grazing routes, rangeland restoration, community adaptation plans and support to small businesses to promote diversification.


- In the IFAD-supported Western Sudan Resources Management Programme, water points along the stock routes have been rehabilitated or constructed, rangelands have been seeded and trees have been planted. At the same time, local courts have been created where natural resources-based conflicts can be resolved.
- IFAD's Adaption for Smallholder Agriculture Programme (ASAP) channels climate finance to smallholder farmers to build their ability to withstand, absorb and recover from climate shocks. For example, ASAP invests in:
 - Climate risk and vulnerability analyses: taking climate-related threats such as storms, droughts, floods, sea-level rise and temperature extremes fully into account throughout project design and systematically analysing climate hazard.
 - Innovative approaches to managing climate-related risks – such as a flash flood early warning system in Bangladesh, a salinity monitoring system in Viet Nam, a weather station network in Mozambique, and building codes for post-harvest processing and storage facilities in Rwanda.
 - Scaling up sustainable agriculture techniques: examples include scaling up agroforestry systems in coffee value chains in Nicaragua, the expansion of watershed management approaches in Bolivia, and the systematic rehabilitation of mangrove greenbelts in Djibouti to protect fishing villages and marine biodiversity.
- The Financing Facility for Remittances (FFR) mainstreams remittances, migrants' investments and migration within IFAD loans and grants. By promoting innovative investments, transfers and financially inclusive mechanisms, FFR projects help increase the impact of remittances on development. They enhance competition among service providers to bring down the costs of sending remittances, reach remote rural areas, empower migrants and their families through financial education and inclusion, and encourage migrant investment and entrepreneurship.
 - The International Day of Family Remittances, proclaimed by IFAD's Governing Council in 2015 and celebrated each 16 June, is an IFAD-led initiative aimed at recognizing the fundamental contribution of migrant workers to their families and communities back home, particularly in rural areas, and at raising awareness of the impact of remittances on sustainable development.
- IFAD has recently established a Facility for Refugees, Migrants, Forced Displacement and Rural Stability (FARMS).⁶ Its objectives and planned activities cover areas that host migrating or displaced populations and their areas of origin. In host areas, it focuses on fostering viable livelihoods for both host communities and displaced people. In sending areas, it focuses on investment in creating economic opportunities so that displaced people who intend to return, as well as those staying behind, have a better chance to build viable livelihoods or to rebuild them after the end of crisis. The facility will deliver, inter alia:
 - At least 500 rural community-level infrastructure projects.
 - The creation of at least 500,000 days of temporary work and at least 20,000 employment opportunities, primarily for youth.
 - Increased social resilience through community and local government capacity-building.
 - Improved governance and management of natural resources.
 - Improved policy and regulatory frameworks addressing the needs of rural host and sending communities, including by mobilizing remittances and diaspora investments.




International Fund for
Agricultural Development
Via Paolo di Dono, 44
00142 Rome, Italy
Tel: +39 06 54591
Fax: +39 06 5043463
Email: ifad@ifad.org
www.ifad.org

www.ruralpovertyportal.org

 ifad-un.blogspot.com

 www.facebook.com/ifad

 [instagram.com/ifadnews](https://www.instagram.com/ifadnews)

 www.twitter.com/ifadnews

 www.youtube.com/user/ifadTV

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⁶ IFAD has previously contributed to refugee responses, focusing on rural dimensions, in Africa, Central America and the Middle East, and signed a memorandum of understanding with UNHCR in 1988.