

Date: 27 February 2023 Time: 14:30-16:00 CET (Rome time, CET) Venue: Zoom webinar

Brief: The webinar will discuss the findings, recommendations and actions' implications of IOE's sub-regional evaluation (SRE) on IFAD's engagement in countries with fragility situations in IFAD's West and Central Africa Division (WCA), conducted in 2021-2022. As such, the event will promote the usage of the SRE's findings and recommendations by relevant stakeholders. High-ranking strategic actors within the region (including from governmental and regional bodies) will be participating in the event as panellists.

5-minutes intervention answering the following questions:

- 1. The evolution of the situation in the West African Sahel region does not allow to be optimistic with regard to the nexus of conflict, insecurity and poverty. In that case, IFAD cannot continue to avoid the provision of its support in areas affected by conflict. If so, what are your suggestions on the way forward?
- 2. What can WCA learn from NEN's operations in such situations?

Talking Points

- 1. The evolution of the situation in the West African Sahel region does not allow to be optimistic with regard to the nexus of conflict, insecurity and poverty. In that case, IFAD cannot continue to avoid the provision of its support in areas affected by conflict. If so, what are your suggestions on the way forward?
- Firstly, it is important to note that IFAD has a long history of engagement in fragile contexts, and over the years, the Fund has developed specific instruments to guide its work. The Special Programme under which the SD3C falls is an example of this. The Fund has also kept its commitment to deploying at least 25% of its core resources to countries with fragile situations. In looking to the future, IFAD could build on its experience and results to do more and better, within the scope of its mandate, in countries with fragile situations. This would require continuity with existing approaches and with IFAD's experience, including recent experience with dedicated, time-bound initiatives for crisis response like the RPSF and the CRI.
- The recent rise of the *Poly-crisis* has highlighted the importance of resilient *local* food systems to reduce vulnerability to market shocks, and the need to strengthen the resilience of IFAD-funded projects in crisis situations, particularly in an inflationary context. IFAD's work will need to continue to focus on not only the impacts of fragility on rural livelihoods but also some of the **drivers**, which now explicitly include the vulnerability of local markets. Additionally, it is crucial to accelerate **climate adaptation** and strengthen natural resources' governance, foster **inclusiveness of women and youth**, and empower marginalized and conflict-affected **rural communities**. All three areas of focus provide room to build on experience but also to

innovate and strengthen IFAD's offering, including its public sector investments as well as its private sector financing.

IFAD is well-positioned to continue working within the boundaries of its mandate in fragile contexts, but it also points to a possible larger role for IFAD in helping mitigate some key global risks by helping borrowing countries – including those in fragile situations - make decisions related to food systems, ecosystems, and climate that balance short-term crisis response and longer-term sustainability. IFAD's decentralization strategy allows us to be in close proximity to the operations, identify key partners and increase interaction at planning and implementation for joint actions, in order to achieve simple and strong designs.

2. What can WCA learn from NEN's operations in such situations?

- Results in NEN's fragile contexts overlap with the SRE recommendations to: (i) <u>build on</u> <u>community driven approaches</u>, as well as (ii) further promote the resilience of rural communities through <u>supports to grassroots' organisations</u> to effectively deliver services and strengthen their capacity to engage in policy dialogue.
- Before I share examples, I wish to reflect on some considerations made in the SRE. A few points to keep in mind:
 - The multidimension characteristic of fragility
 - Pockets of poverty in countries and contexts overall not considered fragile (Turkey, Egypt, etc.)
 - Decentralisation and presence in conflict-affected contexts. The cost of operating in conflict situations (3rd party, office v/s proxies, partnerships)
 - 'Vulnerability' of local markets
 - Financial fragility
 - Principles: simplicity, flexibility, FCAS lens, readiness
- One example as illustrated in the Country Strategy and Programme Evaluation conducted by IOE in April 2020, can be found in NEN's work over the past decade in **Sudan**, the work has contributed to reducing conflict around natural resources by supporting local conflict resolution, improving water and land management, outreach to pastoral communities through dedicated advisory services, and promoting gender equality and women's empowerment. Recognising the importance of continued investment in human and social capital. 3,000 savings and credit groups with an estimated membership of 48,000, close to 95 per cent of whom are women. Notable achievements in the area of natural resource governance include stock route co-management in WSRMP and the preparation of a natural resource governance framework through a bottom-up process in the Butana Integrated Rural Development Project (BIRDP). These projects have demonstrated that tensions between

settled farming communities and pastoralists can be reduced through effective conflict resolution mechanisms, community empowerment and a more coherent policy and institutional framework. WSRMP introduced mobile extension teams to accompany nomadic communities along their migratory routes, set up the Council of Implementing Partners, which included traditional ("native administration") leaders, and established integrated community development centres and conflict resolution centres which play a key role in resolving disputes and tensions between different communities. The introduction of the young professionals' programme under BIRDP, which has been instrumental in community mobilization and skills development, was found to be innovative and relevant to the evolving context in Sudan by deploying young people with the education and skills to engage at the field level. This is just one example of how IFAD has successfully promoted innovation in fragile contexts and achieved better than average satisfactory ratings on gender indicators.¹

- An important aspect of IFAD's work in fragile contexts is its ability to support access to financial services that can support livelihood resilience and generate new opportunities for the local private sector. The Integrated Livestock Development Project in **Syria** created a **unique community-based revolving rural finance model called** "*sanduq*" - or communal fund - which has proved to be effective in supporting livelihoods in fragile settings. This is a community-based approach where members buy shares in a *sanduq*, supported by the project with a financial contribution, to be lent out to members. The *sanduq* is managed by a local gender-inclusive committee supported by a Community Development Committee established by the project. 30 out of the 81 established Sanadiq were created at the onset of the recent conflict and proved their sustainability when IFAD suspended operations 2015, finding them fully functional with no support from the government, continuing to give out essential loans with only approximately 2% repayment default.²

3. Conclusion

- However, challenges still persist. Financial performance indicators closely correlated with counterpart government capacity scored lowest in fragile settings. Good portfolio performance in fragile contexts requires continuous focus on building staff capacity as well as dedicated resources and effective partnerships. Project complexity remains a problem in many fragile settings, despite clear guidance from the Special Programme.
- But in the face of these challenges, IFAD has shown a positive trend in terms of engaging with fragility. During IFAD11, the implementation of IFAD's strategy on fragility has resulted in higher ratings for effectiveness in portfolios in fragile contexts. IFAD has successfully promoted

¹ IFAD. Sudan Country Strategy and Programme Evaluation. IFAD, Dec. 2020, <u>Available Here</u>.

² Data provided by the IFAD Syria country team.

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In conclusion, IFAD's work in fragile contexts has shown promising results. The organization's ability to support community-driven approaches, resilience-building for rural communities, and access to financial services has been critical in supporting livelihoods in fragile settings. While challenges persist, IFAD13 presents an opportunity to tackle the growing complexity of crisis factors and promote sustainable solutions and resilience building. We can break the vicious cycle of conflict and hunger, provide alternatives, and invest in sustainable solutions and resilience building. Thank you for your attention.