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Investing in rural people

## Update on Implementation of the Facility for Refugees, Migrants, Forced Displacement and Rural Stability (FARMS)

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For: Information

# Update on Implementation of the Facility for Refugees, Migrants, Forced Displacement and Rural Stability (FARMS)

## I. Introduction

1. At its 118<sup>th</sup> session in September 2016, IFAD submitted an information note<sup>1</sup> to the Executive Board regarding establishment of the Facility for Refugees, Migrants, Forced Displacement and Rural Stability (FARMS). This note serves to update the Board on progress to date in the development of FARMS.
2. In accordance with the September 2016 information note, IFAD established FARMS to address rural dimensions of the current refugee and forced displacement crisis and to bridge the gap between humanitarian and development financing.
3. The overall aim of FARMS is to help host communities address their additional needs and demands by providing resources to build skills and capacities that may contribute to identifying economic opportunities. Skills and livelihoods will be generated for both host communities and displaced peoples, which will serve the latter well on their eventual return home. FARMS also aims to address challenges in natural resource management, and to build social cohesion and local institutional capacity in rural host communities. Its focus is on locations and communities in which IFAD is already engaged through its investment projects. The facility consists of three pillars: (a) cofinancing of IFAD ongoing and pipeline investment projects; (b) regional and country-specific grants; and (c) policy engagement, knowledge management and communication outreach.
4. FARMS has proved to be a key tool that displays IFAD's responsiveness to a global crisis. It is in line with and will help the ground-testing of key corporate priorities and strategies. The model was highlighted in the fragile situations strategy<sup>2</sup> and validated. FARMS offers Member States the opportunity to provide earmarked financing for fragile situations through a supplementary window, as envisaged in the strategy. It builds on both the IFAD business model<sup>3</sup> and the new holistic approach,<sup>4</sup> both of which call for additional resources to be allocated on a flexible basis to support fragile situations. FARMS projects are often being designed in conditions of extreme fragility and institutional complexity. These are conditions for which IFAD needs to test new delivery models to scale up and deepen engagement in the most fragile situations. In some countries with large refugee communities, loans have proved not to be the most appropriate instruments for financing and meeting the needs of such displaced communities. FARMS has allowed IFAD to offer a differentiated product in line with host country preferences (and the needs of vulnerable displaced people). This is in line with IFAD's evolving approach to country demand, outlined during the current replenishment discussions.<sup>5</sup> Going ahead, FARMS could receive greater support as envisaged in the country demand paper, for example through the Project Preparation Advance Facility.
5. FARMS was launched by the Vice-President of IFAD during a side event of the 71<sup>st</sup> session of the United Nations General Assembly on 19 September 2016, which coincided with the United Nations Summit for Refugees and Migrants. Moreover, the

<sup>1</sup> EB 2016/118/INF.6.

<sup>2</sup> EB 2016/119/R.4: IFAD strategy for engagement in countries with fragile situations, December 2016 session of the Executive Board.

<sup>3</sup> IFAD 11/2/R.3: Enhancing IFAD11 business model to deliver impact at scale, 2<sup>nd</sup> session of IFAD11 Replenishment Consultations.

<sup>4</sup> EB 2017/120/R.5: Tailoring operations to country context – a holistic approach, April 2017 session of the Executive Board.

<sup>5</sup> Country Demand and IFAD's Capacity to Deliver, including in Countries with Fragile Situations, presented at the intersessional meeting, 18 October 2017.

facility was selected by the Clinton Global Initiative as a global commitment to bridge the humanitarian/development gap. A meeting of FARMS partners and donors was held at IFAD headquarters on 30 November 2016 to provide additional information to those interested in supporting or partnering with IFAD in this initiative.

## II. Current status

6. Resource mobilization. FARMS was established with an initial target to mobilize US\$100 million – channelled mostly as cofinancing to IFAD’s investment projects – to enable activities targeting displaced people and their host communities to be integrated into broader development projects.
7. During the 119<sup>th</sup> session of the Executive Board (EB 2016/119/R.33), US\$4 million was approved as an initial contribution to FARMS. The amount was transferred from the supplementary funds fee reserve to be allocated to supporting IFAD interventions in Jordan. As seen in the following table, contributions for cofinancing the project pipeline are at different levels of negotiations with multilateral and bilateral donors, foundations and civil society.
8. Overall, as of 15 October 2017, IFAD is in various stages of discussions on these projects with its partners, including: the European Union, Italy, Norway, Open Society Foundations and Switzerland for contributions for an expected total of US\$33.3 million (including the US\$4 million from IFAD’s own resources). Agreements for these contributions should be signed by the end of 2017, or in early 2018 to cover operations in various countries (e.g. Jordan, Lebanon, the Niger, Somalia, the Sudan). During 2017, some nine projects were designed in countries with fragile situations to support refugees, internally displaced people and host communities.

Table 1  
**Overview of the FARMS cofinancing pipeline**  
(Millions of United States dollars)

<i>FARMS project</i>	<i>Contribution</i>
Small Ruminants Investments and Graduating Households in Transition Project, Jordan	US\$4.0
Small Ruminants Investments and Graduating Households in Transition Project, Jordan, and Harmonized Actions for Enhanced Livestock Production and Processing, Lebanon	US\$5.1
Small Ruminants Investments and Graduating Households in Transition Project, Jordan	US\$1.0
Livestock Epidemio-Surveillance Project to Support Livelihoods of Vulnerable Smallholders, Pastoralists and Internally Displaced Peoples, the Sudan	US\$10.2
Rome-based agency collaboration for projects in Jordan and Lebanon: Enhancing Resilient Livelihoods and Food Security of Host Communities and Syrian Refugees in Jordan and Lebanon through the Promotion of Sustainable Agricultural Development	US\$4.5
Family Agriculture Development Programme, the Niger (Sahel region)	US\$3.9
Food Security Promotion Project for Pastoralists and Agropastoralists in Puntland, Somalia	US\$3.5
<b>Total</b>	<b>US\$33.3</b>

9. Implementation of FARMS. In implementing FARMS-funded components, IFAD has developed collaborations with key partners from both humanitarian and development sectors. It is now working with the United Nations High Commission for Refugees (UNHCR) in Iraq, Jordan and Lebanon, with the aim of strengthening project targeting of refugees, internally displaced people and affected host communities. In Jordan and Lebanon, FARMS interventions are being planned

jointly with the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP), and in the Niger, interventions will be implemented in partnership with WFP and UNHCR. In addition, collaboration with the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) has also been established to ensure their support of the facility. These strategic partnerships helped in bringing together humanitarian and long-term rural development interventions and in hindering critical bottlenecks. This is essential in the effort to create an immediate economic benefit in terms of employment and income to boost long-term economic prospects and kick-start the process of rural transformation.

10. A senior country programme manager was designated by the Director, Near East, North Africa and Europe Division, as a focal point for the facility to ensure proper management of FARMS activities and initiatives and adequate monitoring and reporting across IFAD's portfolio. To monitor and measure the impact of FARMS-supported interventions, IFAD has developed a dedicated results-based framework that includes specific indicators to be embedded in the results frameworks of those interventions. Consolidated annual reporting on FARMS to donors is planned to begin in 2018.
11. Outlook for 2018. The pipeline of FARMS initiatives developed during 2017 demonstrates that IFAD is active and engaged in areas affected by displacement through its investment portfolio. There are still significant opportunities, through FARMS, to integrate activities addressing the specific needs of displaced persons and their host communities into other IFAD projects. The FARMS initiatives being developed have been important opportunities for increased country-level engagement with FAO, UNHCR, WFP and others. Such engagement serves to develop appropriate solutions and provide coordinated support to communities affected by crises, and to assist them in recovering and in building their resilience. This is expected to continue during 2018 as these initiatives move into the implementation phase and further initiatives are identified.
12. The facility aims to continue broadening coverage beyond the Near East and North Africa region to other parts of Africa (e.g. the Sahel) and to other regions affected by displacement. This expansion has already begun with Norway's planned contribution to a programme in the Niger, in support of local communities and displaced populations in the Lake Chad area. In addition, FARMS is well placed to support a future IFAD re-engagement in the Syrian Arab Republic by providing a channel to mobilize the supplementary fund resources needed to invest in rebuilding the livelihoods of local communities and returnees. It may also play a role in supporting IFAD's re-engagement in Yemen, when it is feasible to do so.
13. With respect to these, the facility aims to mobilize at least US\$40 million in 2018 to expand its work in improving the lives and livelihoods of returnees, displaced people and those who host them, and is developing a pipeline of concept notes for potential interventions.