IFAD's Strategy for Engagement in Countries with Fragile Situations

Khalida Bouzar
Director
Near East, North Africa and Europe Division
October 2016
Overview

Proposed definition → Classification → Guiding principles → Strengthened approach → Mobilizing resources

Process:
- **Update** based on Evaluation Committee and EB comments
- **Extensive internal consultations**
- **External review and consultations**
- **Management Review and Approval**
Starting point: The April Approach paper

- Formulated using building blocks approved by the EB in April, 2016: i.e.
  - Revised, IFAD-specific definition
  - Better classification
  - Enhanced organizational and operational capabilities to engage
Proposed IFAD Definition of ‘fragility’

- Definition - identifying, analysing and addressing fragility

"Fragility is a condition of high vulnerability to natural and man-made shocks, often with an elevated risk of violence and conflict. Weak governance structures along with low-capacity institutions are a common driver and consequence of fragile situations. Fragile situations typically provide a weaker enabling environment for inclusive and sustainable rural transformation and are characterized by protracted and/or periodic crises, often with implications for smallholder agriculture and food security."

Retains focus on situations (fragility as a condition)
NEW: Higher focus on institutions: ‘weak governance structures along with low-capacity institutions’
Aligned with classification: focus on institutions and conflict
“countries with most fragile situations”

- Currently 40-50% countries with ongoing programmes classified as fragile - not adequately differentiated
- Proposed classification focuses on IFAD priorities and most fragile situations (c. 20% of country programmes)

NEW: Updated classification focusing on most fragile to focus strategies and resources

Fragility Index:
- Institutional capacity (IFAD’s Rural Sector Performance scores): bottom quintile
- Risk of conflict: identified through IDA/ regional or UN peacekeeping
Proposed guiding principles

- **Risk management and resilience**
- Addressing **root causes** (within IFAD’s areas of comparative advantage)
- **Flexible and responsive** resourcing, instruments and approaches
- Gender and targeting
- Building **institutions**, trust and social cohesion
- Strategic and complementary **partnerships** (e.g. RBAs, other resident UN agencies such as UNDP)
- Achieving and measuring **sustainable impact**

*NEW: Focus on gender and targeting*
Strengthening engagement: Operational resilience

- Enhanced fragility assessments (embedded in COSOP/CSN), covering:
  - drivers and consequences of fragility,
  - institutional capacity,
  - gender and targeting in fragile contexts
- Simplified objectives in project design
- Supervision highlight aspects of fragility assessments
- Focus on financial management risk

NEW: Increased focus on financial management
Strengthening engagement: Organizational resilience

• Decentralization and security key components:
  • Enhanced security training/assessments and
  • Early warning and Feed into programme criticality framework

• Suspended portfolios:
  • Monitor brief activities, assess opportunities/timeline for re-engagement
  • Move from full to partial suspension for activities that are conflict-resilient

• HRD:
  • Reward staff commitment to work in FS and recognize difficulties
  • Enhanced training programmes
Strengthening engagement: Allocating resources to fragile situations

- CLE on PBAS: “no additional resources made available to countries by virtue of being labelled as fragile”
- PBAS formula to be made more sensitive to fragility (e.g. increase poverty focus)
- Based on discussions with Borrowers, loan component grants could be used to address drivers of fragility. In addition, IFAD will seek to mobilize supplementary funds to address fragility.
- Future detailed operational strategies based on PBAS/IFAD
Thank you!