

GOVERNING COUNCIL
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CONCEPT NOTE

From fragility to long-term resilience: Investing in sustainable rural economies

Increasing numbers of people around the world are living in contexts, which for different reasons, may be considered to be fragile. Situations associated with relatively low institutional capacities, social and political instability, as well as (in some cases) conflict, are reducing resilience to shocks emanating from climate and weather-related conditions, environmental pressures and adverse economic conditions. With virtually all countries affected to a greater or lesser degree by these challenges, it is also notable that the incidence of violent conflict is at an all-time high, which is multiplying the numbers of internally displaced persons and refugees. These realities are undermining the prospects for sustainable development and threatening the livelihoods of the rural people with whom IFAD works.

This note sets the scene for discussions at the forty-first session of IFAD's Governing Council by providing an overview of the challenges associated with promoting resilience in rural communities within the overall context of the 2030 Agenda for Sustainable Development.

Vulnerable and fragile situations influence – and are influenced by – conditions in rural communities

Vulnerability diminishes the prospects for inclusive rural transformation and is linked to some of the most intractable development issues. Equally, many of the challenges facing rural communities are the causes of vulnerability generally: weak institutions, conflicts over land and natural resources, social tension and gender inequality, scarcity of opportunities for youth, and lack of access to basic services. Inclusive rural transformation is therefore one of the keys to addressing the root causes of vulnerability and fragility.

IFAD's mandate to invest in rural people has long involved working with vulnerable communities. As such, it is not surprising that IFAD has built expertise in dealing with the drivers and consequences of vulnerability and fragility, informing the Fund's strategy for its engagement in countries with fragile situations.ⁱ Within this strategy, IFAD recognizes the importance of addressing the specific challenges faced by women and girls in vulnerable and conflict situations, having committed to work on rural women's empowerment at the household, community and institutional levels.

Investing in sustainable rural livelihoods is central to peacebuilding, state-building and social stability, meaning that it will be important for IFAD to continue expanding the reach and effectiveness of its operations in contexts that are increasingly typified by vulnerability, risk and conflict.

Promoting resilience by building on what works in rural communities

Against this backdrop, the value-added of an institution like IFAD that is specialized in long-term resilience-building in vulnerable communities is clear and complements that of agencies focusing on emergency and humanitarian response work. Clearly, collaboration between organizations traditionally engaged in emergency and humanitarian aid, and agencies such as IFAD with a comparative advantage in fostering long-term resilience, will be key to building the nexus between short-term relief and longer-term stability and sustainability.

The need to address the specifically rural dimensions of vulnerability is inescapable. Concretely, this means strengthening governance of natural resources, fostering inclusive community-based organizations and effective local government service delivery, strengthening risk management in rural communities, and creating employment opportunities for young rural people.

Investing in rural youth

Decent employment, especially for young rural people, is a precondition for sustainable communities and resilient, peaceful and prosperous societies. For IFAD and the international community, investing in rural youth – particularly in fragile contexts – is a crucial factor for the delivery of the Sustainable Development Goals. Over 80 per cent of the 1.2 billion young people in the world today live in developing countries, and in sub-Saharan Africa the youth population is projected to grow rapidly: from 150 million in 2010 to over 350 million by 2035. This large rural youth population represents a significant opportunity for development. Investing in creating productive and rewarding employment and economic opportunities for rural youth, as well as in their active political and social participation is crucial for ensuring both their prosperity and inclusive rural transformations. It is also crucial to promoting stable, peaceful and inclusive rural societies.

One of the main areas that offers significant opportunities for rural youth is the agrifood sector, which generates the majority of jobs in many developing countries. To enable young rural people to take advantage of potential economic and social opportunities, policies, programmes and investment are needed to better direct, revitalize, and harmonize the supply and demand for rural youth employment; facilitate access to land and financial services; promote entrepreneurial skills; and develop social protection measures. At the same time, investing in complementary infrastructure, raising agricultural productivity and climate resilience, improving the rural business climate and reducing gender inequalities can all stimulate demand for the skills and energy of young women and men in rural areas. Efforts should be also directed at ensuring that they have a voice in social and political decision-making processes. Only then will rural transformation be truly inclusive of young women and men.

Leveraging opportunities from multilateralism

Many of the emerging opportunities and threats that will shape the landscape in which today's youth will live and work, and influence the prospects for realizing the 2030 Agenda and sustainable development in rural communities are transboundary in nature – climate change, migration and the spread of new technologies, for example. Multilateral cooperation

can provide a comprehensive response to these issues if it complements bilateral and individual state responses with a strong, fit-for-purpose United Nations system. Multilateral organizations must take the lead in addressing emerging political trends that are shifting the focus back to single-state approaches. They can do this through multilateral frameworks and effective global instruments that counter threats to peace and resilience.

As a United Nations agency and international financial institution (IFI), IFAD can make a unique contribution in this regard. It is engaged in implementing the 2030 Agenda in coordination and collaboration with its sister United Nations agencies, while also mobilizing financial resources to respond to the needs of countries and communities affected by fragility. Approximately 25 to 30 per cent of IFAD's core resources are projected to be allocated to the most fragile situations during IFAD11.

IFAD is also stepping up its engagement in national and regional policy dialogue, and is engaging actively in multilateral policy processes, including the G20 and United Nations-led processes around the 2030 Agenda, such as the High-level Political Forum and the Financing for Development Inter-Agency Task Force. IFAD is increasingly recognizing the importance of contributing its unique knowledge to influence processes that are key to a more stable and peaceful world.

Interactive sessions and key questions for discussion

With this background in mind, three interactive sessions will be held at the forty-first session of IFAD's Governing Council, enabling IFAD Governors to contribute to a dialogue on issues surrounding building long-term resilience. The topics of the three sessions are as follows:

1. The challenges for IFAD in working effectively in fragile situations.
2. The opportunities and challenges associated with multilateralism from the perspective of an IFI.
3. Investing in rural youth.

These sessions will provide a platform for delegates to participate in discussions around questions that are critical for the future of IFAD and its contribution to achieving the SDGs, including:

- What is the value proposition of IFAD in a global context increasingly typified by fragility?
- How can IFAD step-up and become an even more effective agent of change given the pressing need to build resilient and sustainable rural communities globally?
- What type of financing approaches, tools and partnerships will be needed to equip IFAD to best fulfil its role?

ⁱ Approved by the Executive Board in December 2016. See: <https://webapps.ifad.org/members/eb/119/docs/EB-2016-119-R-4.pdf>.