Strengthening Resilience in FCV Settings: Challenges and Opportunities for IFIs

MERCY CORPS, MARCH 2026

This paper draws on lessons from the FCDO-funded Resilience Learning Facility[1] delivered by Mercy Corps in early 2026. Building resilience and addressing fragility requires the complementary action of a diverse range of development actors including but not limited to multilateral development banks and other IFIs, bilateral donors, and the private sector. This briefing identifies opportunities for IFIs - a term used in this brief to describe multilateral and regional development banks and sector specific funds – to strengthen resilience in FCV settings, highlights catalytic financing mechanisms a range of IFIs are using to unlock larger investments, and provides practical recommendations to strengthen interventions.

[1] While evidence and analysis of "what works" in resilience building has grown in recent years, much of it remains fragmented and hard to operationalise, particularly in dynamic and politically complex contexts. With the support of FCDO, Mercy Corps established the Resilience Learning Facility to begin to address that gap.

The Urgent Case for Resilience in Fragile, Conflict Affected and Violent Settings

Around the world, millions of people are experiencing the compounding impacts of climate change, conflict, fragility, economic shocks and health crises. These dynamics entrench poverty, drive displacement, and deepen environmental degradation, escalating humanitarian needs. In countries characterised by fragility, conflict and violence, weak institutions, poor governance, and limited state capacity further constrain the ability of communities and systems to anticipate, absorb, and adapt to shocks while also heightening the risk of conflict.

By 2030, nearly 60 percent of the world's poor will live in situations of conflict and fragility[2]. Meeting this reality requires interventions beyond immediate relief, recovery, and assistance. Mercy Corps' experience shows that even in high levels of crisis and fragility, it is possible to support resilience – that is to support the capacity of individuals, households, institutions, systems to maintain or improve well-being in the face of shocks and stresses. This includes, for example, supporting inclusive and functional markets, accessible financial services that can function even in times of crisis, and addressing issues and contestation in the access, use and control of land and resources. Such approaches can effectively meet immediate needs, while supporting communities and systems to recover and reduce the likelihood, severity and cost of future crises.

Evidence shows resilience approaches can reduce humanitarian need and aid dependency. In Ukraine, for example, Mercy Corps has supported entrepreneurs, business owners, and farmers to rebuild economic resilience with small grants. By growing their businesses and earning stable incomes, grant recipients were able to decrease their reliance on aid while also supporting the recovery of their communities. A study of these efforts found that 80% of microbusinesses were no longer dependent on humanitarian aid after the programme (compared to 8% at baseline) and 67% of small-scale farmers no longer needed aid. This is because **resilience approaches go beyond meeting immediate needs, delivering stability, income growth, climate adaptation and longer-term food and livelihood security even in shock-prone environments.**

Resilience interventions are feasible even in crisis, including in high-intensity conflict and with very weak systems. For example, where thin or ruptured markets, high levels of displacement, and conflict persist, conflict-sensitive cash assistance combined with conflict management interventions can preserve productive capacity. **In less extreme but still fragile contexts, there is ample opportunity for longer-term resilience and adaptation measures.** Over time, strengthened systems can reduce crisis levels, helping communities move along a positive trajectory, or at a minimum lay the foundation for a stronger, more resilient recovery in a post-war context.

[2] World Bank Group, Evaluation: Strategy for Fragility, Conflict, and Violence, 2020-2025.

Figure 1, below, illustrates the types of resilience strengthening interventions that are feasible relative to fragility levels.

For IFIs, the question is not *whether* resilience matters in FCV settings, but rather in what ways can IFIs enable and/or deliver resilience strengthening at scale and with the greatest long-term impact within the scope of development finance. Over a period during which bilateral DAC funding to these settings has declined in real terms, multilateral commitments have increased. Building on their commitments to building resilience in FCV settings – deploying substantial resources and aligning mandates with long-term interventions - IFIs are well placed to scale up their impact. A key question remains: what is their most effective means to support resilience and how could existing architecture be improved to translate ambition and funding allocation into tangible, coordinated long-term results?

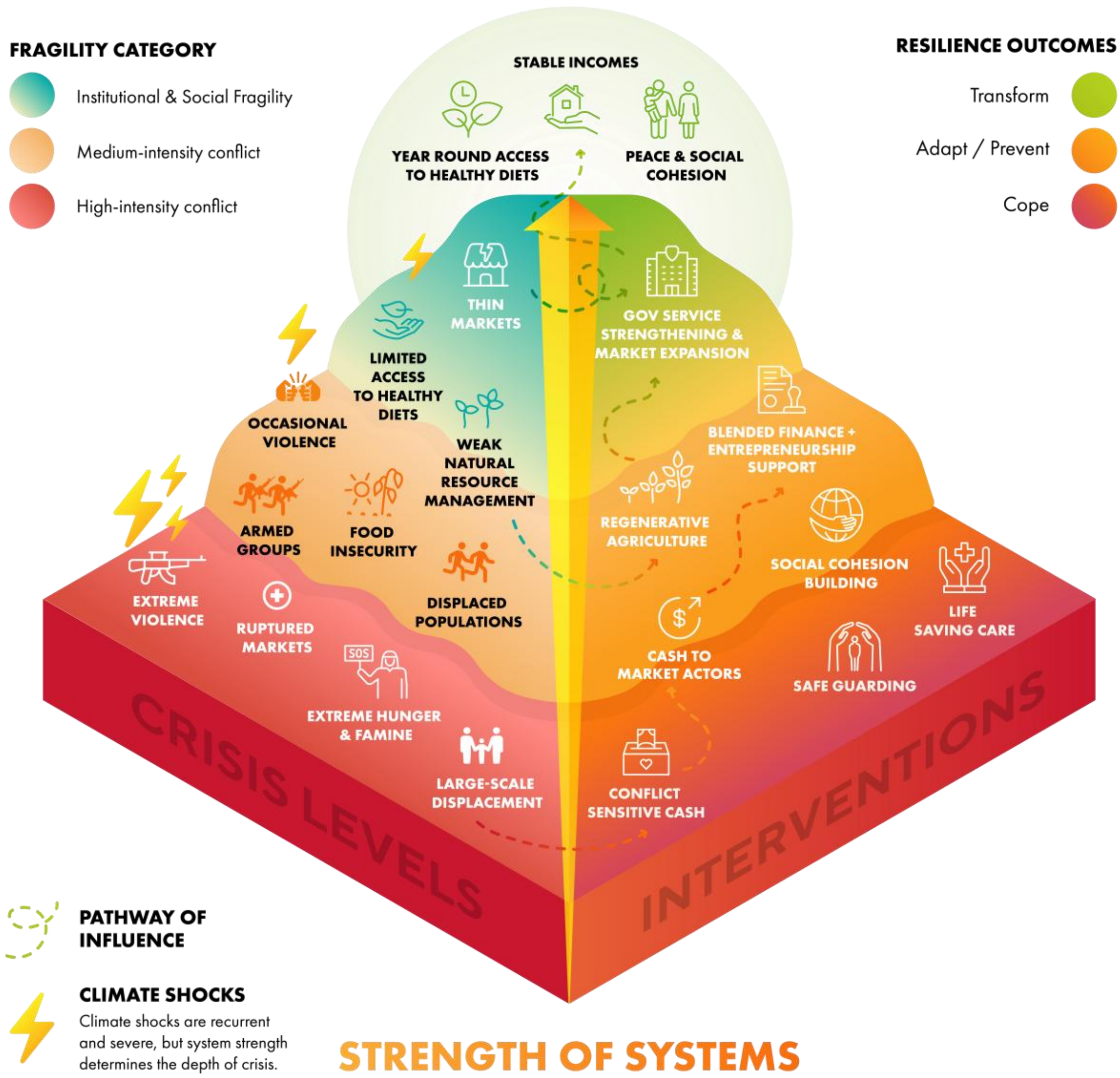

Figure 1: The Fragility and Resilience Framework

IFI Role in Scaling Resilience in FCV Settings

IFIs influence resilience outcomes through multiple levers and tools – including sovereign finance, technical assistance to build institutional capacity, influencing risk perception and risk financing, and private-sector mobilisation as well as, to a lesser extent, grant funding to civil society actors. In FCV settings, however, there are various challenges to using these instruments effectively because of high risk, weak delivery systems and high transaction costs, low institutional capacity, and complex and dynamic environments. Often IFIs are also operating with an incomplete contextual understanding at the first mile. Nevertheless, IFIs play a critical role in leveraging their influence to encourage and scale resilience in FCV settings.

PROVIDING FINANCE FOR CRITICAL INTERVENTIONS

Finance remains a central lever for building resilience in FCV settings. Highly concessional and grant financing continue to form the foundation of resilience investments, absorbing fragility-related risks while enabling critical interventions and leveraging broader and combined funding. Catalytic upstream financing, risk financing and insurance mechanisms, and blended finance instruments further expand the scope of engagement and can mobilise additional public and private finance to support resilience. Yet, market-based instruments may be underutilized where actors are unwilling to invest, and grants or concessional resources are often limited relative to need. While IFIs invest heavily, they can better combine the instruments at their disposal to protect systems, build capacity, and ensure investments strengthen resilience even in the toughest FCV settings.

SHAPING POLICY AND INSTITUTIONS

Through sustained policy dialogue, technical engagement, and investment, IFIs can embed resilience into core government systems such as public financial management, social protection, and service delivery ensuring that risk, climate, and conflict considerations are integrated into how states function, rather than treated as standalone priorities. However, political instability and weak state capacity in FCV settings can limit the traction and durability of policy reforms, particularly where sovereigns lack legitimacy. IFIs should therefore prioritise fit for context reforms tailored to FCV contexts, focusing on core functions and sequencing interventions over time, embedding flexibility and investing in sub-national or non-state systems where appropriate. By doing so, they can support the gradual restoration and reinforcement of institutional capacities and help sustain progress when national systems are under strain and sovereign institutions lack legitimacy at the national level.

CONVENING AND ALIGNING ACTORS

IFIs are uniquely positioned to bring together a wide range of actors around shared objectives. Yet, at the country level, coordination mechanisms for resilience approaches are not standardised, if they exist at all, and many key actors (e.g. private sector) may be excluded. There is no common definition of or framework for resilience. Incentive structures, mandates, and funding cycles across actors often remain misaligned and coordination platforms can become procedural rather than outcome focused. IFIs could strengthen coordination at a country level and within IFI governance structures around shared analytical frameworks and jointly defined priorities so that resilience investments are better aligned and scaled, using co-financing and sequenced engagements to reinforce collaboration. This could look like a joint, country-level coordination mechanism as a condition for accessing dedicated resilience or fragility financing windows. These mechanisms should adopt minimum standards such as inclusive membership, shared risk analysis, and joint prioritisation, and will result in benefits that outlast a specific project and go beyond a specific set of beneficiaries.

INFLUENCING RISK PERCEPTION AND MOBILISING OTHERS

IFIs play a pivotal role in shaping how risk is perceived (or realised) in FCV settings with their early or continued engagement signalling confidence to other donors and investors, as well as actively mitigating risk through key investments. In contexts viewed as unattractive for investment, IFI presence, analysis, and risk sharing can help reframe risk as manageable, making projects bankable and crowding in capital. They do this through guarantees, incubating early-stage projects to investment readiness, and supporting market creation. Yet their own risk appetite is frequently constrained by internal incentives, return considerations, and reputational concerns which can lead to overly cautious engagement and limit their ability to operate at scale in the most fragile contexts. By using these levers more strategically and systematically for resilience – scaling de-risking instruments, sequencing interventions effectively, and leveraging grants to reduce early-stage risk – IFIs could amplify their catalytic effect.

Promising Practice: Key Case Studies on Catalytic Investment Funds

While IFIs bring a wide range of financing tools, from blended finance to de-risking tools designed to crowd in private investment, grants and highly concessional finance play a core and catalytic role. Grants enable risk mitigation, capacity building, and early-stage interventions that make subsequent lending and private sector investment feasible. In practice, resilience investments in FCV settings often depend on combining instruments that absorb risk, build institutional readiness and unlock pathways for larger investments.
This section describes five case studies that offer examples of how IFIs are using catalytic pathways to leverage wider resilience investments in FCV settings, offering a pathway for effective resilience interventions. With relatively small investments, they address key constraints and facilitate larger financing operations to emerge – whether by removing entry barriers, generating evidence through pilots, or linking financing to delivery systems. These interventions influence downstream investment decisions by shaping sovereign lending pipelines, unlocking co-financing, embedding reforms in national systems, or de-risking operations in fragile environments.

REMOVING ENTRY BARRIERS: DE-RISKING FOR FURTHER INVESTMENT BY IFIS, GOVERNMENTS, BILATERAL DONORS AND THE PRIVATE SECTOR

The following initiatives address technical, institutional and contextual barriers that often prevent resilience investments in FCV settings.

Case study: The Green Climate Fund's Readiness and Preparatory Support Programme (RPSP)

The RPSP offers grant-based technical assistance to help developing countries build the institutional and technical foundations required to access climate finance. Somalia provides an example of how readiness support can enable participation in climate investment processes. Through grants from the GCF to support government readiness funding, Somalia strengthened its institutional structure for addressing climate risks, creating inter-ministerial coordination structures and resourcing dedicated staff for liaising with donors and implementing partners. This support enabled the design of integrated climate-resilient agriculture systems implemented through both national and sub-national actors. In fragile settings where institutional capacity is limited, readiness support, as with the RPSP, can help bridge operational and fiduciary risks while supporting the gradual strengthening of systems. This approach enables climate finance to serve as a pathway for institutional development and longer-term resilience building in FCV settings. While implementation outcomes remain ongoing, other IFIs could also consider fund preparatory or readiness support for interventions in these settings.

Case study: World Bank's Risk Finance Umbrella Trust Fund (RFU)

The RFU is a catalytic financing mechanism designed to strengthen financial resilience to disasters and climate shocks by addressing upstream technical and institutional barriers that prevent governments and World Bank teams from advancing innovative risk-financing approaches. For example, under the DRIVE Programme, RFU spent approximately USD 400,000 on upstream technical assistance to support risk modelling and the design of a regional livestock insurance platform spanning Kenya, Ethiopia, Somalia, and Djibouti – helping to support inclusive and functional markets essential for resilience. This preparatory investment built the platform and tools needed to scale a regional insurance product which led to a USD 360.5 million International Development Association investment, and an expected USD 574.8 million in private sector participation in insurance markets and value chains.

Case study: African Development Bank's Transition Support Facility (TSF)

The TSF was established to enable the Bank to operate in fragile and conflict-affected contexts where traditional development financing instruments are often constrained by institutional fragility, political instability, and limited absorptive capacity. In 2025 the African Development Bank approved a USD 17 million TSF grant to support recovery and resilience in conflict-affected northern Mozambique. RISE-PS supported the strengthening of local market systems, livelihoods, and SMEs to build community resilience and enable transition away from high unemployment and weak market conditions. The grant was used as the base layer and foundation to a broader USD 28 million programme combining financing from the United Nations Development Programme and Germany, and the Government of Mozambique, with additional private sector investment. This illustrates how flexible grant instruments that absorb fragility risk and create an enabling environment for IFIs to operate in environments where traditional sovereign lending would otherwise be too risky or politically constrained and allowing for further investment over time as market confidence improves.

GENERATING EVIDENCE THROUGH PILOTS

In fragile settings, small pilot grants can mitigate uncertainty by testing whether delivery models and systems work in practice, preparing the ground for larger financing.

Case study: World Bank's Rapid Social Response Adaptive and Dynamic Social Protection Programme

The World Bank's Rapid Social Response Adaptive and Dynamic Social Protection Programme demonstrated that relatively small technical grants could influence larger development investments by supporting diagnostics, policy design, and operational learning. In 2025 the programme introduced a dedicated Fragility, Conflict and Violence (FCV) window which provides grants of up to USD 400,000 to help governments and World Bank teams assess, design, and pilot social protection delivery systems (including enrolment and payment mechanisms) capable of protecting vulnerable populations during crises. Early activities include strengthening household and system-level resilience by enabling scalable and adaptive safety nets that protect vulnerable populations during shocks in both Somalia and Burkina Faso. These catalytic interventions generate operational evidence and reduce uncertainty for larger International Development Association (IDA) investments by demonstrating how adaptive social protection systems can function in fragile contexts.

LINKING DISASTER RISK FINANCING TO DELIVERY SYSTEMS

Relatively small, targeted catalytic grants can help governments and IFIs test delivery systems in fragile environments, generating the evidence needed to support larger social protection investments.

Case study: The Global Shield Financing Facility

The Global Shield Financing Facility, hosted by the World Bank, expands access to pre-arranged financial protection against climate-related disasters. Within this framework, this mechanism addresses the gap in disaster risk financing systems: financial instruments often exist without direct links to mechanisms capable of delivering assistance to vulnerable households quickly. The window therefore focuses on integrating disaster risk finance mechanisms with adaptive social protection systems that can scale assistance during shocks to the most vulnerable. In Malawi, this approach has been used to link risk financing mechanisms with national social protection systems capable of delivering support to vulnerable households following climate shocks. By connecting financial protection instruments with delivery systems, the initiative aims to ensure that pre-arranged financing translates into timely assistance for affected populations.

Ensuring investments drive impact on resilience: Lessons from the Resilience Learning Facility & Implications for IFIs

IFIs have demonstrated growing commitment to strengthening and expanding resilience in FCV settings, but technical, institutional, and risk-related constraints continue to limit both the scale and effectiveness of financing. The examples above point to practical pathways for addressing barriers to larger investments as well as testing financing mechanisms, partnerships, and interventions that can deliver resilience outcomes. These efforts help build an evidence base, de-risk and lay the foundation for subsequent larger scale investments. Continued and early engagement in FCV settings is also important, as IFIs play a critical role in FCV settings, signalling confidence to other donors and investors.

However, even as investments are scaled, it is critical to ensure that they are shaped by and apply the best evidence in terms of how to most effectively contribute to resilience of individuals, households and communities in FCV settings. The following section presents findings from a resilience learning series commissioned by FCDO that are pertinent to IFIs seeking to strengthen resilience investments in FCV settings.[3] A summary of practical interventions by theme and fragility level is available at Annex 1.

1. EFFECTIVE AND IMPACTFUL AREAS OF INTERVENTION

Even in the most fragile settings, strengthening resilience through market support and access to finance is possible, and a key contributor to resilience. Even when disrupted by violence or climate-related disasters, markets rarely collapse entirely. They continue to shape access to goods, services, and livelihoods. When development actors invest in strengthening these systems, they can meet urgent needs more effectively, expand local economic opportunities and build resilience that reduces long-term aid dependency. Key success factors that IFIs should consider include integrated context analysis; enabling rapid adaptation through ongoing assessments; leveraging decentralised private sector partnerships; layering systems-level support onto direct response; and planning for future risks with shock-responsive mechanisms.

Land governance is an under-utilised foundation for resilience. Inclusive and equitable land governance builds a necessary foundation for resilience investments in livelihoods, natural resource management and climate adaptation and supports sustained impact. Conversely, weak governance fuels degradation, poor adaptive capacity, conflict, and mistrust - creating conditions that deter long-term, and return-seeking investment. Key factors for strengthening land governance include tailoring interventions to specific tenure regimes and fragility settings, carefully sequencing interventions to create an enabling environment for complementary activities, effectively linking to national policies, district-level administration, and village level practices, and building in inclusive participation from the start.

[3] For more information see: www.mercycorps.org/research-resources/resilience-learning-facility

Resilience interventions are most effective if they are embedded within existing local systems, adaptive, and reflect existing behaviours. Effective interventions require a nuanced understanding of local contexts, coping capacities and key actors which can be achieved through ongoing analysis and working through and with existing community networks and actors. IFI's have significant capacity to support systems strengthening and provide broader common goods that outlast a particular project. They also have the capacity to link and layer interventions across national and sub-national levels or could coordinate with others to do so.

Linkages between informal and formal systems are a major untapped opportunity for expanding financial access in FCV settings. Informal systems often work better, faster and with more legitimacy than formal institutions, yet remain underutilised by IFIs. IFIs would achieve greater scale and inclusion by further supporting models that connect financial service providers with existing groups—such as savings groups, self-help groups, SACCOs, and cooperatives—which act as trusted intermediaries for account access, savings mobilisation, and credit appraisal. This requires tailoring instruments and delivery models to work through these intermediaries, including providing catalytic funding, technical assistance, and risk-sharing mechanisms to financial institutions that engage with informal groups. Supporting group leaders—particularly women—to serve as agents can further reduce distance and trust barriers, while strengthening last-mile delivery. Embedding these approaches within financial sector operations can expand outreach in underserved areas, improve portfolio performance through stronger local knowledge, and enhance resilience by building on existing social and economic systems.

2. DESIGN AND IMPLEMENTATION

IFIs should ensure consistent pre-design and ongoing context-based analysis, including but not limited to conflict analysis, climate risk assessments, and political economy analysis, to promote adaptive management. Evidence tells us that better analysis and understanding of the risk exposure of vulnerable populations to shocks, stresses, combined with their resilience capacities lead to stronger programming. Where teams have limited capacity, resources, and partnerships to do this analysis well and adapt as the context changes, IFIs should lean on partners who are well equipped to carry out highly context specific analysis that informs programme design and flexibility. Shared analysis with other actors will also enable more effective collaboration and coordination.

Apply a fragility lens across the full investment cycle and fulfil existing commitments. Building on the approaches of the World Bank, AfDB, and others, more IFIs should consider institutionalising the systematic application of a fragility lens across all operations and lending. While fragility considerations are strongest at the policy level, they can be less consistently embedded in project design, implementation, and supervision. As a baseline, IFIs could deliver on existing commitments and proposals advanced by the group of institutions formally known as the 'Abu Dhabi Group' ensuring these are translated into concrete programming, resourcing, and measurable results. Furthermore, expanding programming beyond relatively stable areas within FCV countries by adapting and applying bespoke mechanisms tailored to higher risk environments would enable access to highly vulnerable populations.

Adapt guidance and funding to enable adaptive delivery for resilient outcomes. While IFIs have operational guidance, safeguards and adaptive approaches for FCV settings, these efforts can often be uneven, heavily reliant on functioning government counterparts, and often not sufficiently flexible or systematically applied. Guidance needs to be operationalised for the most difficult contexts and adaptive delivery and iterative design are imperative. Explicitly linking operational flexibility to resilience outcomes and embedding it across portfolios – including subnational and non-state systems – is key, particularly where the sovereign lacks legitimacy.

3. IMPROVING THE ENABLING ENVIRONMENT FOR RESILIENCE

Strengthen local capacity, including the private sector. IFIs can strengthen resilience by using concessional finance, guarantees, and technical assistance to build capacity and strengthen good governance in local authorities, dispute resolution systems, local financial intermediaries and boost readiness of the private sector. In FCV contexts, IFIs and development partners would benefit from prioritising investments at subnational levels, including in municipal and community institutions and infrastructure, particularly where international partners have limited trust in, or scope to engage with, central government at the capital level.

Complement investments with peace and governance interventions. While measuring the impact of some of these interventions can be difficult, they build the necessary foundation for further resilience building. Grants and concessional finance could be used to fund governance, social cohesion, and conflict prevention interventions to build an enabling environment for durable and return-seeking investments.

4. GREATER COORDINATION ACROSS ACTORS

Strengthen coordination across the system. Strengthening coordination between donors, IFIs, UN and governments, both at a country level and within IFI governance structures, could ensure resilience investments are better aligned and scaled across fragile contexts. Taking advantage of existing country platforms and structures could reduce the coordination burden and strengthen impact.

Encourage peer learning and improve transparency on funding mechanisms. Use examples of progress in one IFI to encourage action in others. For example, unpacking the GCF's progress in expanding access to readiness funding.

5. INVESTING IN CATALYTIC FINANCE

Pilot, replicate and scale catalytic mechanisms. IFIs could expand their efforts in originating, testing, and scaling catalytic finance mechanisms that unlock larger volumes of public and private capital in FCV settings. In particular, using resources strategically for upstream investments, leveraging their convening power to align co-financing, and designing for replication from the outset, as contexts permit. There are underfunded areas that are ripe for investment and innovation, in sectors such as access to energy in displacement settings and underutilised foundations for resilience including land governance.

Dedicate grant funding to upstream work. Provide grant or highly concessional funding for early-stage investments and actions in diagnostics, regulatory groundwork, institutional capacity building, and pilot interventions that can build a credible pipeline, determine what financing instruments and interventions are best suited to FCV contexts and resilience outcomes, and leverage larger investments.

Conclusion

Scaling resilience in FCV settings will require effective, coordinated action by a range of actors, including IFIs. This can only succeed with a shared concept of resilience and the use of evidence and expertise to inform effective interventions. The intent of this paper is to enable and inform discussions with IFIs, donors and implementing partners on how to most effectively strengthen resilience in FCV settings and the role of each actor within that effort.

This report has been funded by UK International Development from the UK government; however, the views expressed do not necessarily reflect the UK government's official policies.

Contact

MIRANDA HURST
UK Director| Policy & Advocacy
mhurst@mercycorps.org

ANNA RENFREW
Policy Adviser | Policy & Advocacy
arenfrew@mercycorps.org

MERCY CORPS
96/3 Commercial Quay
Edinburgh
EH6 6LX
mercycorps.org

About Mercy Corps

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action – helping people triumph over adversity and build stronger communities from within. Now, and for the future.

Annex 1 Resilience intervention ideas by fragility typology

<table>
<tr><th>THEME</th><th>HIGH INTENSITY CONFLICT / IMMEDIATE POST CONFLICT</th><th>MEDIUM-INTENSITY CONFLICT</th><th>INSTITUTIONAL & SOCIAL FRAGILITY</th></tr>
<tr><td rowspan="2">Land Governance</td><td>(Immediate post conflict) Resolve immediate conflict triggers – trauma healing; conflict resolution</td><td>Address structural drivers of conflict related to land; Address tenure insecurity and conflict – Participatory Mapping, Resource Sharing Agreements and mechanisms</td><td>Create incentives for longer term investment and stable livelihoods – land tenure regularisation (demarcation, registration, community/individual titling, inclusive equitable governance mechanisms)</td></tr>
<tr><td></td><td colspan="2">Identify and characterise the fragility and conflict context and key risks and opportunities

Conduct land-specific conflict and political economy analysis to identify land governance gaps and their contribution to conflict and weak resilience. Clearly identify intended beneficiaries and objectives

Understand local tenure systems, including customary and informal arrangements to identify key needs for inclusive and equitable land rights and possible actions

Identify complementary actions to land governance given programme objectives. Assess appropriate sequencing and realistic timeframe

Identify the scales needed to achieve change, including transboundary, and need to link and align formal and informal governance mechanisms

Ensure meaningful participation of women and marginalised groups, identifying how to prevent elite capture and translate representation into decision making

Identify opportunities to use accessible technology and data to inform decisions and monitoring</td></tr>
<tr><td>Markets – use them to provide essential goods and services and meet immediate needs</td><td>Cash and Voucher Assistance (CVA) for meeting immediate needs and supporting local businesses

Private sector contracting – contract traders to deliver aid, use financial institutions (FIs) to distribute CVA</td><td>Use CVA for purchasing productive inputs, accessing services (livestock health, mechanical harvesting, etc.)

Use CVA for anticipatory action, to prevent sale of assets after shock and ensure key local businesses remain</td><td>Use CVA for anticipatory action, to prevent sale of assets after shocks and support local businesses</td></tr>
</table>

<table>
<tr><th>THEME</th><th>HIGH INTENSITY CONFLICT / IMMEDIATE POST CONFLICT</th><th>MEDIUM-INTENSITY CONFLICT</th><th>INSTITUTIONAL & SOCIAL FRAGILITY</th></tr>
<tr><td rowspan="7">Markets – support them to ensure availability of and access to essential goods and services and enable market participation</td><td>Support to priority businesses: Set up emergency grants or credit to vital businesses to restart, recapitalise, offer credit and/or meet increased demand</td><td>Support to priority businesses: Offer grants to displaced entrepreneurs and others to restart or expand activity to meet new demand; Offer grants to displaced entrepreneurs and others to restart or expand activity to meet new demand</td><td></td></tr>
<tr><td></td><td colspan="2">Enterprise development: Offer grants to start/support enterprises to provide goods and services in demand local; Support last mile agents to sell inputs, provide financial and other services (including veterinary and mechanised agri-services)</td></tr>
<tr><td></td><td colspan="2">Skills development and employment: Offer soft, technical, and business skills training to support employment and entrepreneurship</td></tr>
<tr><td></td><td></td><td>Skills development and employment: Support apprenticeships with local private sector</td></tr>
<tr><td rowspan="2">Financial services support: Facilitate access to secure payment platforms and remittances; Support savings groups to continue</td><td colspan="2">Financial services support: Support MFIs and banks to improve their reach to local businesses; Develop savings groups and connect them to micro finance institutions (MFIs) and banks</td></tr>
<tr><td></td><td>Financial services support: Guarantee loans for businesses</td></tr>
<tr><td>Economic Infrastructure Support: Rehabilitate key economic infrastructure, such as marketplaces, warehouses, and irrigation facilities</td><td></td><td></td></tr>
</table>

<table>
<tr><th>THEME</th><th>HIGH INTENSITY CONFLICT / IMMEDIATE POST CONFLICT</th><th>MEDIUM-INTENSITY CONFLICT</th><th>INSTITUTIONAL & SOCIAL FRAGILITY</th></tr>
<tr><td rowspan="5">Facilitate Market System Change</td><td>Improving market information: Provide information on fluctuating prices and costs for key commodities</td><td colspan="2">Improving market information: Provide information to customers and sellers on market prices, demand, climate forecasting, regulations, and new techniques, products, and services for improved competition, transparency and resilience building</td></tr>
<tr><td colspan="2">Improving market information: Provide information on identification (ID) and business registration for internally displaced people (IDPs)/ refugees</td><td></td></tr>
<tr><td colspan="2">Expand market linkages: Link local businesses to regional wholesalers and traders</td><td>Expand market linkages: Develop market information and online trading platforms</td></tr>
<tr><td></td><td colspan="2">Market linkages: Connect last mile agents to suppliers, buyers; Connect households (HHs) to FIs</td></tr>
<tr><td>Increase availability of goods and services and local market activity: Incentivise regional businesses to expand to conflict zones; Help smaller, local market actors to partner with aid agencies and increase competition; Establish joint humanitarian and private sector groups to share plans, support needs, and market demand; Provide information on agriculture and livestock coping strategies</td><td colspan="2">Increase availability of goods and services and local market activity: Offer smart subsidies to incentivise adoption of new products, technologies, and services; Incentivise FIs to reach new markets, develop new products, and expand insurance; Incentivise businesses to hire employees, develop in-house training programs, sell to new markets, etc.; Support information provision on nutrition sensitive and climate smart agriculture production</td></tr>
<tr><td>Access to Finance</td><td>Design for basic technology: feature-phone (USSD/ SMS design); e-cards; Include offline functionality; use satellite-linked internet to sync transactions; Use Blockchain-based technology which supports auditable settlement rails with simple user interface; Use multiple, redundant delivery channels; Take a phased rollout approach which maximise digital purchases; Reduce cash off-ramps to ease cash shortages; Peg transfers to stablecoin like USD instead of local currency to mitigate exchange rate losses</td><td>Recruit existing community structures-shops, savings groups/cooperative members as agents; Point-of-Sale (PoS) and feature phone technology can reduce costs; Use informal community groups as trust brokers to introduce products; Recruit female agents from savings/self-help groups to address women's access; Offer commitment savings; Offer flexible repayment and grace periods and recovery-focused loans; Make agents multi-service; Bundle services: Government to People, retail, energy and agri-input payments; Use traders with existing cash flows; Accept savings group cash deposits to rebalance floats; Encourage digital transactions</td><td>For providers, investments in interoperable platforms helps share operating costs in locations with low transaction volumes; Use tiered Know Your Customer; Accept alternative IDs; Create partnerships with refugee-led organisations to help refugees get ID documents; Offer remittance products focused on what users valued: cost, simplicity, and convenience, over technology. Delivery can be via over-the-counter agents and designed for basic phones; Consider anticipatory remittances using early-warning triggers and fee incentives with diaspora network/ in migrant-sending corridors</td></tr>
</table>

<table>
<thead>
<tr><th>THEME</th><th>HIGH INTENSITY CONFLICT / IMMEDIATE POST CONFLICT</th><th>MEDIUM-INTENSITY CONFLICT</th><th>INSTITUTIONAL & SOCIAL FRAGILITY</th></tr>
</thead>
<tbody>
<tr><td rowspan="3">Access to Finance</td><td colspan="3">Consider stimulus lending to banks and recovery lending via MFIs with prior relationships; Consider blockchain-technology, paired with local NGO implementation support; Digitise informal settlement back-end for transparency; integrate with mobile wallets</td></tr>
<tr><td colspan="3">Use savings-first models; Use digitised group records to improve provider confidence; Offer bundled advisory services like market price, weather-related risks; Share agriculture information to encourage productivity</td></tr>
<tr><td colspan="3">Offer index insurance that provides trigger-based payouts; Offer health/medical insurance linked to payments/savings; Offer insurance embedded within loans, savings or airtime for easy uptake</td></tr>
<tr><td rowspan="4">Systems change as a route to resilience</td><td>Systems Goals: Keep systems functioning for those most affected. Do not undermine local systems. Safeguard (or support) systems from collapsing</td><td>Systems Goals: Make judicious systems improvements; address constraints to systems inclusion and access; and prioritise integration and layering of actions and processes to identify entry points</td><td>Systems Goals: Design resilience of systems themselves into systems strengthening objectives; envision and partner for structural transformation; increase policy engagement</td></tr>
<tr><td>System resilience depends on informal and market actors when the state is absent or contested. Food, finance, and basic services continue to flow through local businesses, traders, and social networks, indicating that resilience is embedded in informal and hybrid systems, not state structures alone</td><td>Local governance and social systems are viable entry points despite conflict. Evidence demonstrates that even in insecure environments, municipal institutions and social cohesion mechanisms can be strengthened when programming aligns with decentralisation processes and land governance realities</td><td>Systems strengthening benefits from longer time horizons and stronger institutions. Compared to high-conflict contexts, deeper and more sustained systems changes are seen areas with institutional and social fragility. Multi-system integration enhances adaptive capacity. Linking ecological management, livelihoods, markets, and governance creates reinforcing feedback loops for adaptation</td></tr>
<tr><td>Understand and support the continuity (not transformation) of critical systems. What can you invest in to keep systems operational under extreme volatility (e.g. food availability, economic exchange), rather than longer-term system reform</td><td>Addressing power, exclusion, and conflict within systems is central to resilience. Not treating land conflict and gendered exclusion as side issues but as core system constraints shaping adaptation outcomes</td><td></td></tr>
<tr><td>Flexibility in partnerships and delivery is essential for survival. Establish ways of working which allow for rapid shifts in partners and modalities, where trust, security, and access change frequently</td><td>Systems change emerges through integrating and layering approaches, not sequencing: Governance, social norms, and livelihoods can be addressed simultaneously, enabling more durable shifts than sector-specific approaches</td><td></td></tr>
</tbody>
</table>

THEME	HIGH INTENSITY CONFLICT / IMMEDIATE POST CONFLICT	MEDIUM-INTENSITY CONFLICT	INSTITUTIONAL & SOCIAL FRAGILITY
Systems change as a route to resilience	**Local governance and social systems** are viable entry points despite conflict. Evidence demonstrates that even in insecure environments, municipal institutions and social cohesion mechanisms can be strengthened when programming aligns with decentralisation processes and land governance realities.	**Combining climate adaptation activities** with conflict-sensitive interventions that strengthen social cohesion and climate resilience can decrease support for violence and negative perceptions of others, while increasing agricultural outputs and household resilience against climate shocks and stressors, further supporting reduced violence and conflict.	
	Systems change emerges through **integrating and layering approaches**, not sequencing: Governance, social norms, and livelihoods can be addressed simultaneously, enabling more durable shifts than sector-specific approaches.		
	Combining climate adaptation activities with conflict-sensitive interventions that strengthen social cohesion and climate resilience can decrease support for violence and negative perceptions of others, while increasing agricultural outputs and household resilience against climate shocks and stressors, further supporting reduced violence and conflict.		

In all categories of fragility, teams should invest heavily in situational analysis including Political Economy Analysis, Climate Analysis, Conflict Analysis and Gender, Equality, Disability and Social Inclusion analysis.