Foreword

RESILIENCE & ADAPTATION LEARNING FACILITY

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MERCY CORPS

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Contents

The urgent case for supporting resilience in fragile and conflict-affected settings

Around the world, millions of people are experiencing the shocks and reverberating impacts of climate change, conflict and fragility. These dynamics entrench poverty, drive displacement and deepen environmental degradation, escalating humanitarian needs. These factors further increase the risk of conflict and exacerbate existing fragility, while the core characteristics of fragile and conflict affected settings (FCAS) - weak institutions, poor governance, limited state capacity, and violence - significantly constrain the ability of communities and systems to anticipate, absorb and adapt to shocks.

In an era of dramatically shrinking aid budgets and escalating crises, there can be a perceived logic for prioritising short-term, life-saving assistance. Yet there are a range of interventions and approaches that have been shown to effectively meet immediate needs, support resilient recovery, and reduce the likelihood, severity and cost of future crises. These resilience strengthening approaches are critical to breaking this cycle.

This is not a call for additional resources but for a different way of working: approaches that prioritise prevention, and bolster the resources, capacities and systems that people already rely on to cope and adapt to shocks.

Evidence shows that increasing resilience is possible across a wide spectrum of fragility – even in acute crises – with the appropriate adaptations. For example:

At the height of the two-year drought the **Somali Region of Ethiopia**, Mercy Corps subsidised local traders to buy weakened livestock, that would otherwise have been slaughtered by the owner or died. Investing just £92,000 in subsidies enabled the purchase of 23,500 animals, and a total household income of £950,000. This not only provided cash to support households but strengthened market linkages during a crisis.

In the **Sahel**, under FCDO's funded JASS programme, cash and land-based livelihood support met immediate food and income needs while strengthening local land governance and conflict management systems critical for food production. By reducing resource-related conflict and livelihood collapse after climate and economic shocks, JASS demonstrates how integrated land, governance and conflict approaches can lower future humanitarian caseloads and long-term aid costs.

Even amid conflict, the Cash Consortium for **Sudan** added business grants to their cash and voucher assistance (CVA) programming to support vital local markets on which communities rely for their survival. In relatively more stable parts of Sudan, Mercy Corps worked with a seed supplier to quickly identify seed stocks, move them to regional hubs and engage local agents to transport seeds across conflict lines, thus supporting both agriculture and a critical market to continue despite the conflict.

In an era of rising needs, constrained funding and the need for every penny of precious public funding to achieve maximum impact, investing in resilience and system-strengthening approaches is both good development practice and a strategic imperative.

The Resilience Learning Facility

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. Together we decided on four themes with relevance in most FCAS across all geographies – building resilience through markets, land, access to finance and building systems. The team reviewed existing evidence from FCDO programming and wider Mercy Corps programmes. We worked closely with FCDO country teams and thematic experts to curate the evidence and listen to their experiences of delivering resilience programming in FCAS. We extracted practical, actionable evidence to support FCDO and other donors and delivery partners to identify opportunities to link immediate crisis response with long-term resilience in a range of settings.

The series of reports are separate but closely linked – each providing stand-alone analysis but collectively they offer an integrated body of evidence for FCDO, wider donors and partners across different contexts and levels of fragility.

1. [Markets based responses to build resilience in FCAS where conflict risks and climate intersect.](#)

2. [Land and natural resource governance to increase household resilience.](#)

3. [Getting finance to actors and affected populations who need it most.](#)

4. [Integrating a 'systems change' element into programmes and approaches.](#)

Key themes which all four papers highlight include:

> Start with context, conflict, and political economy analysis and keep it up to date

> Flexibility and adaptation are nonnegotiable in volatile contexts

> Layering and sequencing of interventions is key - combining direct support with systems level work

> Leverage and strengthen local systems (formal, informal, hybrid). Work with, not around, these systems

> Inclusion and equity are core to legitimacy, uptake, and durability of interventions

> Make the most of existing local capacity and partnerships, especially the private sector and communities

This document provides a summary and the key findings of each report. For the full reports please visit the [website](#). A summary of practical interventions by theme and fragility level is available at [Annex 1](#).

The Fragility and Resilience Framework

The fragility and resilience framework was created to help articulate the relationships between local systems, conflict intensity and intervention choices. It shows how the strength of local systems shapes both the severity of crises and the range of interventions that are possible in FCAS. Where systems such as governance, markets and ecosystems are weak or ineffective, more frequent and severe climate shocks are more likely to translate into conflict, displacement, market disruption and widespread hunger.

However, even in high-crisis contexts, targeted systems support can help households cope more effectively and reduce the depth of crisis impacts. Basic interventions that strengthen market participation, improve governance, or support critical services can stabilise livelihoods and prevent crises from escalating. As system performance improves, more ambitious systems level investments become feasible, even in relatively fragile settings.

The framework therefore emphasises the importance of tailoring systems support and systems-strengthening interventions to the level of fragility and stability in a given context. When interventions are well aligned to context, they can help communities move beyond short-term coping towards crisis prevention and longer-term adaptation, sustaining incomes, food security, and social cohesion despite increasingly frequent and severe shocks.
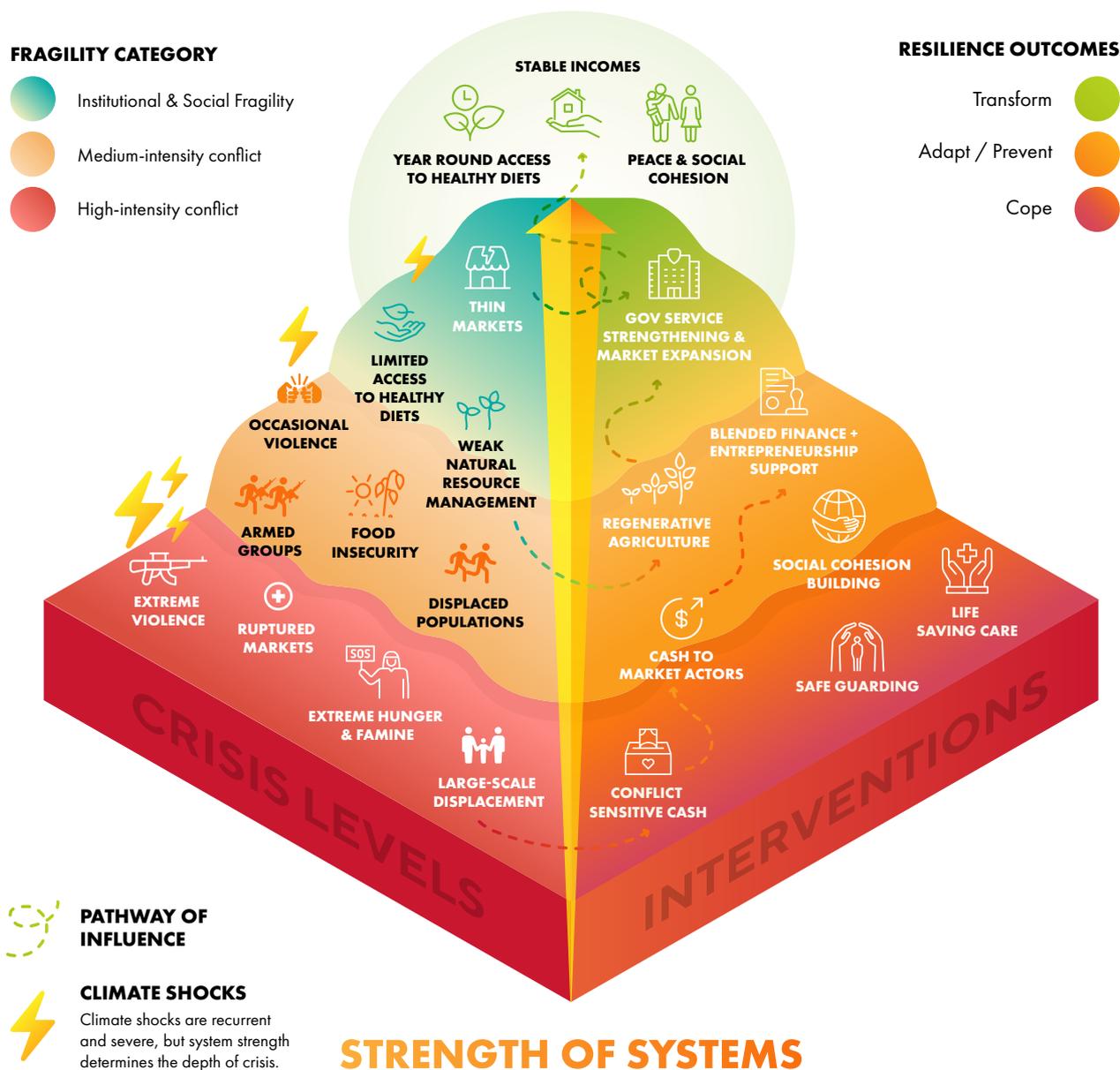

Figure 1 The Fragility and Resilience Framework

Market based responses

SUMMARY

In FCAS, where climate and conflict shocks increasingly intersect, market systems are critical to communities coping and adapting to shocks. While often affected by these shocks, they rarely cease functioning. When humanitarian and development actors support these systems, they can meet urgent needs and expand local opportunities. Layered, adaptive, market-driven interventions, grounded in local context and supported by flexible policies, helps crisis-affected people better cope, recover, and build resilience, ultimately reducing long-term aid dependency. This paper provides a rationale for market-based programmes in fragile settings, including value for money, and illustrates how approaches can be applied in practice in different settings. It draws on examples from Ethiopia, Mozambique, Myanmar, Nigeria, Sudan, Tanzania, Uganda and Ukraine.

KEY FINDINGS

Based on the analysis of successful programmes, the authors identified key steps recommended to ensure programming success across the range of FCAS.

At an individual programme level:

〉 Context analysis is critical at the design phase and programme start, followed up with regular assessments and programme adaption to respond to contextual changes. This should include market and conflict dynamics, local coping capacities, and climate shocks.

〉 Adaption requires maintaining flexible programme approaches and adapting interventions to respond to increasing opportunities or constraints, whether using markets to provide humanitarian aid in high intensity conflicts, or facilitating market system change to support more economic and food security in areas of fragility. It should also include planning for future conflict and climate shocks.

〉 For impact and sustainability, it is important to utilise and build local capacity, especially through private sector partnerships that reinforce local market systems.

〉 Systems-level support should be layered onto direct approaches as soon as possible and direct support connected to wider market system demand and opportunity.

At a portfolio and policy level:

〉 It is important to maintain space for programme adaptation to enable rapid response to both increasing opportunities and sudden shocks. This may require more flexible guidelines and new structures, such as crisis modifiers or other anticipatory action.

〉 Investing in greater research and learning, working towards coherence across humanitarian and development portfolios, and encouraging coordination at every level from implementers to donors will allow for effective layering of interventions, maximising programme impact and value for money.

WALEED, PARTICIPANT IN THE SAFE PROGRAMME IN SUDAN
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Land and Natural Resource governance

SUMMARY

In FCAS, governance and resilience are closely linked. Conflict and climate change disrupt governance mechanisms and institutions, weaken trust and limit the ability of national and local systems to manage shocks. Weak land governance contributes to degradation, poor adaptive capacity and conflict, reinforcing instability and climate vulnerability. Resilience programmes often invest in sustainable land use but overlook governance systems to sustain those gains. Well-designed land governance interventions strengthen resilience; poorly designed ones risk undermining resilience and stability.

This report illustrates how land governance can support household resilience in fragile settings and distils practical approaches for delivering effective land governance interventions. It draws on examples from Colombia, DRC, Ethiopia, Kenya, Mali, Myanmar, Niger, Rwanda, Uganda and OPT.

KEY FINDINGS

Land governance is foundational to resilience in FCAS, shaping how communities manage climate risks, sustain livelihoods and prevent disputes from escalating into violence. Land governance should therefore be integrated from the outset of resilience, climate and stabilisation programmes. Programme experience shows that land governance interventions can deliver results even in protracted crisis and institutional fragility, acting as a bridge to longer-term reform and development gains. However, impact depends on tailoring and layering interventions to the specific context.

› Land governance is critical to building resilience but must be tailored to different fragility contexts. Foundational measures, such as conflict resolution, may be required before deeper reform in highly fragile contexts; more ambitious change is possible in more stable places.

› Land governance interventions are more effective when tailored to land users and tenure systems. Smallholders, pastoralists and forest communities require different governance approaches; failure to account for these differences risks tenure mal-adaptation.

› Identifying governance gaps and appropriate interventions requires understanding conflict and political economy dynamics. Conflict analysis identifies land-related triggers and structural drivers; political economy analysis reveals who controls land access and dispute systems.

› Interventions to strengthen land governance must be carefully sequenced and given sufficient time. Building trust and social cohesion over land issues may be prerequisites to reform.

› Strengthening land governance requires working across scales and linking formal and informal systems, for example connect community-level mechanisms with sub-national and national-level state land administration and legal and policy frameworks.

› Inclusive and equitable governance is key to programme legitimacy and sustainability, and strengthens trust and buy-in.

› Accessible technology and data can inform and democratise the design, implementation and monitoring of land governance mechanisms. Participatory mapping, GIS and digital tools improve decision-making, documenting land rights and risk analysis.

# Access to finance for vulnerable populations

SUMMARY

Access to finance is a critical yet underdeveloped pillar of resilience in FCAS. Financial services - formal and informal - help households and businesses anticipate, absorb and adapt to shocks. However, in FCAS, widespread exclusion, weak infrastructure, insecurity and macro-economic instability severely limit access to financial systems. This report synthesises evidence from diverse high- and medium intensity conflict contexts and other constrained-access environments to identify promising approaches for expanding meaningful financial inclusion and strengthening resilience. It draws on examples from Afghanistan, Central America, Ethiopia, Kenya, Mali, Somalia and Syria.

KEY FINDINGS

› Financial services are essential to resilience - but vulnerable groups are often excluded. Savings, credit, remittances, insurance and digital payments support households' capacity to manage shocks and invest in livelihoods, yet multiple barriers keep them out of reach for many.

› FCAS require specific preconditions for financial services to function including digital and physical infrastructure, predictable regulatory environments and stable economic conditions.

› Promising practices demonstrate that inclusive, context-adapted financial access is possible in FCAS, including blockchain enabled payments (Afghanistan, Syria), commitment based savings (Mali), index based livestock insurance (Somalia, Ethiopia, Kenya), recovery loans (multi country), and anticipatory remittances (Central America).

› Design and delivery determine outcomes more than the choice of product. Financial solutions must be simple and accessible, bring services closer to users through agent networks, and build on trusted intermediaries and existing financial behaviours. They should incorporate flexible terms for shock-prone environments.

› Informal-formal linkages are a major untapped opportunity. Savings groups, cooperatives and hawala networks remain trusted and widespread. Rather than replacing them, linking these structures with formal providers can overcome trust, distance and documentation barriers, particularly for women and displaced populations.

Financial inclusion is not just a development goal - it is a resilience imperative in FCAS. When delivered through simple technology and trusted channels, financial services can operate effectively even in high-risk environments, helping households and local economies withstand shocks, recover more quickly, and reduce long-term dependence on humanitarian assistance.
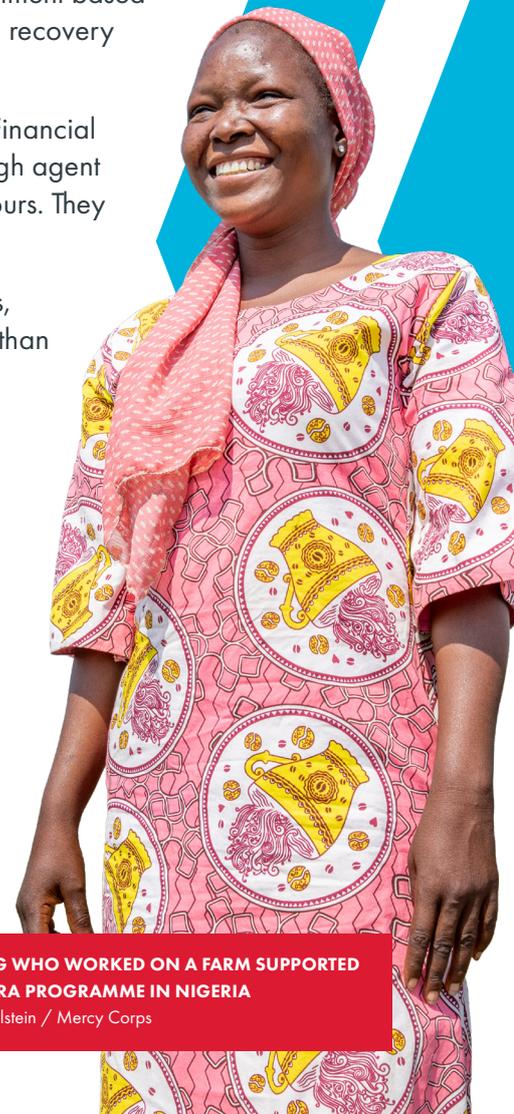
BLESSING WHO WORKED ON A FARM SUPPORTED BY THE RRA PROGRAMME IN NIGERIA
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'Systems change' as a route to sustainable resilience

SUMMARY

FCAS face overlapping crises - climate impacts, conflict, governance failures, and economic fragility - driving persistent humanitarian need. In these contexts, people rely heavily on local systems - markets, social networks, natural resource governance and informal institutions - yet these systems often exclude marginalised groups, fail under stress, or inadvertently contribute to conflict. Short term responses that bypass or weaken systems can reinforce vulnerability.

This report outlines how systems change - targeting underlying rules, relationships, incentives and power dynamics - can serve as a critical pathway to strengthening resilience in FCAS. It also illustrates how systems strengthening can be applied in practice in different settings, drawing on examples from Ethiopia, Kenya, Mali, Niger, Nigeria, South Sudan, Sudan and Uganda.

KEY FINDINGS

Based on the analysis of successful programmes, the authors identified the following key lessons:

❭ Context-specific, politically informed systems engagement is foundational, but must be grounded in ongoing political economy and conflict analysis, not one-off contextual assessments or generic approaches.

❭ Boundaries must be clear but flexible. It is important to be explicit about which part of the system you are working in, where you have legitimacy, and what is feasible.

❭ Flexible and adaptive delivery is key to supporting systems function in volatile contexts, allowing programmes to pivot activities and partnerships as needed.

❭ Change must be inclusive and equitable. Meaningful change requires shifting decision-making, resources and agency towards marginalised groups.

❭ The incentives that drive behaviour – both formal and informal – need to be understood and addressed. Often incentives for long-term change that would support resilience, are weak and competing with (or even counter to) immediate, short-term priorities.

❭ Adaptation and resilience in FCAS rely heavily on informal and hybrid systems, which should be strengthened rather than bypassed. Local market actors, informal institutions and hybrid arrangements often sustain system function where formal systems falter.

❭ Integrated, multi-system approaches create deeper and more durable change. The strongest systems shifts occur where programmes address multiple, interconnected systems simultaneously, rather than isolating economic, social or ecological domains.

❭ Relationships, partnerships and coordination are essential for systems change. Resilience strengthening in fragile contexts needs collaboration, as no single actor or intervention is sufficient. Coalitions, partnerships and influence across different systems matter, including engaging with political actors.

Annex 1 Resilience intervention ideas by fragility typology

THEME	HIGH INTENSITY CONFLICT / IMMEDIATE POST CONFLICT	MEDIUM-INTENSITY CONFLICT	INSTITUTIONAL & SOCIAL FRAGILITY
Land Governance	(Immediate post conflict) Resolve immediate conflict triggers – trauma healing; conflict resolution	Address structural drivers of conflict related to land; Address tenure insecurity and conflict – Participatory Mapping, Resource Sharing Agreements and mechanisms	Create incentives for longer term investment and stable livelihoods – land tenure regularisation (demarcation, registration, community/individual titling, inclusive equitable governance mechanisms)
		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	
Markets – use them to provide essential goods and services and meet immediate needs	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	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	Use CVA for anticipatory action, to prevent sale of assets after shocks and support local businesses

THEME	HIGH INTENSITY CONFLICT / IMMEDIATE POST CONFLICT	MEDIUM-INTENSITY CONFLICT	INSTITUTIONAL & SOCIAL FRAGILITY
Markets – support them to ensure availability of and access to essential goods and services and enable market participation	**Support to priority businesses:** Set up emergency grants or credit to vital businesses to restart, recapitalise, offer credit and/or meet increased demand	**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	
		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)	
		Skills development and employment: Offer soft, technical, and business skills training to support employment and entrepreneurship	
			Skills development and employment: Support apprenticeships with local private sector
	Financial services support: Facilitate access to secure payment platforms and remittances; Support savings groups to continue	**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	
			Financial services support: Guarantee loans for businesses
	Economic Infrastructure Support: Rehabilitate key economic infrastructure, such as marketplaces, warehouses, and irrigation facilities		

THEME	HIGH INTENSITY CONFLICT / IMMEDIATE POST CONFLICT	MEDIUM-INTENSITY CONFLICT	INSTITUTIONAL & SOCIAL FRAGILITY
Facilitate Market System Change	**Improving market information:** Provide information on fluctuating prices and costs for key commodities	**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	
	Improving market information: Provide information on identification (ID) and business registration for internally displaced people (IDPs)/ refugees		
	Expand market linkages: Link local businesses to regional wholesalers and traders		**Expand market linkages:** Develop market information and online trading platforms
		Market linkages: Connect last mile agents to suppliers, buyers; Connect households (HHs) to FIs	
	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	**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	
Access to Finance	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	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	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

THEME	HIGH INTENSITY CONFLICT / IMMEDIATE POST CONFLICT	MEDIUM-INTENSITY CONFLICT	INSTITUTIONAL & SOCIAL FRAGILITY
Access to Finance	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		
	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		
	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		
Systems change as a route to resilience	**Systems Goals:** Keep systems functioning for those most affected. Do not undermine local systems. Safeguard (or support) systems from collapsing	**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	**Systems Goals:** Design resilience of systems themselves into systems strengthening objectives; envision and partner for structural transformation; increase policy engagement
	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	**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	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
	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	**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	
	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	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	

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.

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.

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Thank you
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