



SUPPORT
IFAD'S
REPLENISHMENT.
SUPPORT
RURAL PEOPLE.



Corporate induction

An overview of IFAD: Who? What? Where? Why?

October 2020

Global context and the impact of COVID-19

Existing development threats



Poverty

is becoming increasing concentrated and its decline is slowing



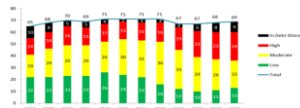
Fragility

is increasing and violent conflict has tripled in the last decade



Food insecurity

is on the rise and reversing back to levels of 2010-2011

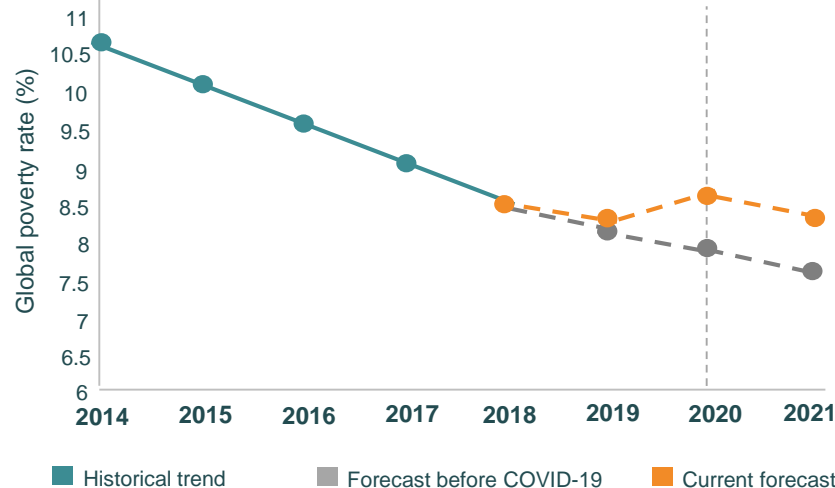


Debt Sustainability

at risk (50% of IDA countries at high risk, double that of 2013)

Exacerbation of threats by COVID-19

Potential impact of COVID-19 on global poverty



Source: <https://blogs.worldbank.org/opendata/impact-covid-19-coronavirus-global-poverty-why-sub-saharan-africa-might-be-region-hardest>

Their impact on opportunities and fresh ways of thinking, globally:

Innovation

Increasingly targeted assistance

Sustainability of benefits

Environmental impacts

Agriculture remains key to the prosperity of rural people, but faces many challenges



- **Agricultural growth** is 2-3 times more effective at reducing poverty than other sectors
- **Climate change** will push more than **100 million people into extreme poverty** by 2030
- **Stability of food supply** is projected to decrease as the magnitude and frequency of **extreme weather events disrupt food chains**. **Vulnerable** people will be most affected suggesting need to **build resilience**
- **52 per cent** of agricultural land is affected by **soil degradation**



- **778 million youth** live in rural, semi-rural and peri-urban where agriculture is a key employer and growth driver
- **Youth** are three times more likely than adults to be **unemployed** with limited opportunities and rural youth are likely to **migrate**
- **Biodiversity loss and land degradation** are altering every part of nature.
- **1.6 billion people** depend on **forests** for their livelihood, including **70 million indigenous people**



- While **women** make up 43 percent (and +50 in SSA) of the agricultural labour force, their plots are **20 to 30 percent less productive** than men's plots
- If female farmers had the same **access to productive resources** as men, they could increase **yields by 20-30 percent**, and **total agricultural output by 2.5 to 4 percent**
- **Global obesity is on the rise**, particularly in **rural areas** of LICs, LMICs and UMICs, alongside **other forms of malnutrition**



IFAD's vision and mission

VISION

To create vibrant, inclusive and sustainable rural economies, where people live free from extreme poverty and hunger.

MISSION

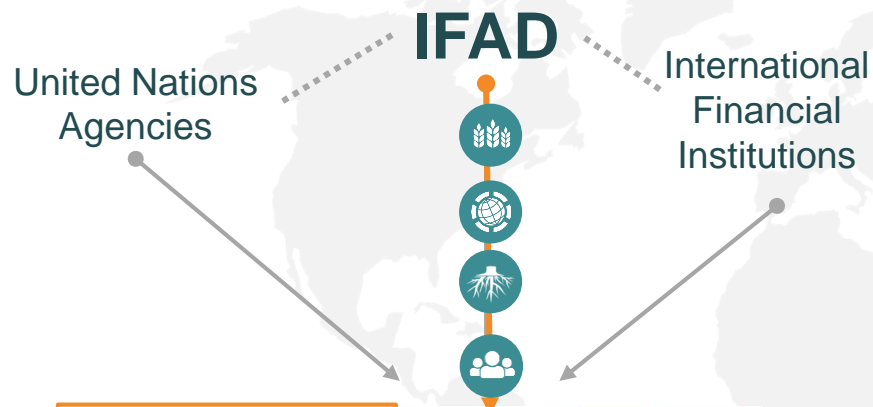
To transform rural economies and food systems by making them more inclusive, productive, resilient and sustainable.

TO ACHIEVE THIS VISION & MISSION

IFAD invests in the millions of people who are most at risk of being left behind: poor, small-scale producers, women, young people and other vulnerable groups and targets “the last mile”.



IFAD's value proposition



Only **specialized** global development organization exclusively **dedicated to transforming agriculture, rural economies and food systems**



Goes the last mile to ensure rural economies are more **inclusive, productive, resilient and sustainable**



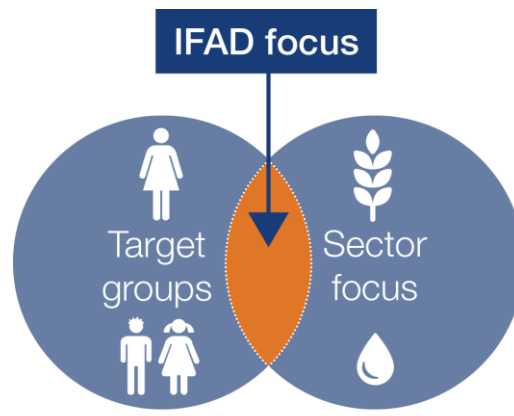
Targeted investments **complement the work of other IFIs and UN agencies** & help address the varied development challenges of vulnerable rural people



Plays an important role in **mitigating risks associated with shocks and other future crises by increasing resilience of rural people**





IFAD's approach to achieving its mission

- Targeting extreme poor and food insecure (direct or indirectly)
- Strong focus on inclusion of vulnerable populations (women, youth, indigenous people, persons with disabilities...)
- Promoting nutrition



- Programme of loans and grants
- People centred investments
- Investing in productive rural transformation (agriculture, value chains, infrastructure, nonfarm)
- Fostering growth of rural institutions
- Addressing environmental concerns and climate change
- Working with the private sector

Integrated mainstreaming themes

 Gender	<ul style="list-style-type: none">• Gender Action Plan• Gender sensitive (100% of POLG)• Gender transformative approaches (25% of POLG)
 Youth	<ul style="list-style-type: none">• Rural Development Report focuses on creating opportunities for rural youth• Youth Action Plan places specific focus on youth employment• Youth sensitive (50% of POLG)
 Climate change	<ul style="list-style-type: none">• Climate and Environment Strategy and Action Plan• COSOPs/CSNs analyse Nationally Determined Contributions• Climate sensitive (100% of POLG)• Climate-focused financing tracked (25% of POLG)
 Nutrition	<ul style="list-style-type: none">• Nutrition Action Plan• Nutrition sensitive projects (50% of POLG)• Assessing impact on dietary diversity

Critical steps currently needed



Take a **country-specific approach** to continue to address rural poverty and food insecurity



Use more **effectively** and **mobilize additional resources** for countries where rural poverty & hunger is stalling or getting worse



Empower rural women, youth and marginalized groups to ensure no one is left behind







Make **climate change** central to development efforts and work in **fragile situations**



Expand **kinds of resources** and increase their **flow**



IFAD12: An evolving business model

		IFAD10	IFAD11	IFAD12
Investment size		IFAD financing: \$31 million Cofinancing ratio: 1:0.87	IFAD financing: \$40 million Cofinancing ratio 2019:1:2:09	Growing through a combination of instruments, co-financing and leverage
Resource distribution		100 countries	80 countries 90% resources to LICs & LMICs 10% to UMICs	Approx. 80 countries 100% core to LICs & LMICs
Instruments & tools		PoLG	Fully programmed PoLG RBLs & RO Pilots Differentiated loan pricing Partnerships framework UN reform with UNDS and UNCT	PoW Core + Borrowed Resources New instruments (MPA) RRP & PSFP Policy & closer partnerships
Approach to portfolio management		HQ based and formal supervision	Hubs & ICOs Continuous supervision & implementation support Mainstreaming – 4 themes Improved quality & performance	Decentralized workforce & skills Adaptive management & real-time decision making Focus on fragility, sustainability & efficiency

Thank you!

