Corporate induction
An overview of IFAD

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The gap to SDG1 and 2 targets is increasing

Existing development threats

- **Poverty**: is becoming increasingly concentrated and its decline is slowing.

- **Food insecurity**: is on the rise and reversing back to levels of 2010-2011.

- **Fragility**: is increasing and violent conflict has tripled in the last decade.

- **Debt Sustainability**: at risk (50% of IDA countries at high risk, double that of 2013).

Exacerbated due to COVID19

- June downside projection
- June baseline projection
- April projection
- Pre-COVID projection

Sources: Lakner et al. (2020), PovcalNet. Global Economic Prospects. Extreme poverty is measured as the number of people living on less than $1.90 per day.
IFAD’s value proposition: IFAD’s role in closing the gap

Specialized focus on agriculture and targeting of the most marginalized populations

Partnerships with governments, rural civil society organizations and a deep reach into remote areas

Systematic measurement of results and impact

Ensure a multiplied return on each Member State dollar as investments on the ground
Translating this to impact on the ground through our toolkit

New products (RTA, RBL, RLO)

A country level programmatic approach

Strengthened partnerships at the country level

Stronger policy engagement

Bringing credible knowledge to the ground

• New instrument to catalyse private funding for rural MSEs
• Complementarity with PoLG
• Ambition to raise up to US$200 mln

• Building on experience with ASAP1 & ASAP2
• Part of Rural Resilience Programme
• Ambition to raise up to US$500 mln
Focusing on high-quality delivery

**Design**
- Integrated rural development solutions
- Assessments of countries’ needs and institutional arrangements
- High technical quality

**Implementation**
- Proactivity
- Responsiveness
- Problem solving

**Agile responses**
- COVID-19 Response
- $200 million
- Repurposing towards recovery and reactivation

**Completion**
- Scaling up and exit strategies
- Sustainability

Project lifecycles
Leaving no one behind

Mainstreaming

- Systematization and further integration in country-level approach
- Increased mainstreaming targets (40% climate finance and 35% gender transformative)
- New biodiversity strategy in IFAD12
- Strengthened engagement with persons with disabilities and indigenous peoples

Fragile situations

- Building on its Strategy for Engagement and Special Programme
- Transforming planning, tools, and delivery including through 2RP
- Allocating at least 25% of core resources to countries with fragile situations

Targeting

- Revised Targeting Policy to consolidate new areas of focus
Climate finance: why should we investing in rural people?

Climate change leads to conflict and forced migration.

It is more cost effective to invest in adaptation (ex –ante) than disaster relief (ex post).

Climate change impacts are not spread equally – and neither is the help!

Investing in rural small scale producers is a GLOBAL PUBLIC GOOD. Why?

- **Global food security**
  Smallholders produce 30–34 per cent of the global food supply

- **Resilience**
  Diversification leads to greater global resilience

- **Nature based solutions**
  Opportunities in agriculture (agro-ecological approaches)

- **Co-benefits**
  Mitigation, gender empowerment and nutrition
Adaptation for Small holder farmers (ASAP) results

Additionally sequester over 60 million tons of carbon dioxide equivalents.

6 million people additionally cope with the effects of climate change.

Brought additionally more than one million hectares of land under climate-resilient practices.

The Independent MTR shows that ASAP has made good progress in achieving its targets with notable success in establishing ‘hardware’; for example, water technologies and productive infrastructure, as well as implementing interventions that improve or conserve natural resources.
The Rural Resilience Programme

- ASAP+: Increase resilience and reduce GHG
- 3S: Reduce migration
- GCF-GGW UP: Food security and nutrition, jobs for youth
Climate transparency so far: Quality of international assistance?

IFAD is ranked *first* on ownership, prioritization, transparency, evaluation.
Food systems as they currently operate globally, nationally and locally are failing to deliver desired outcomes for:

- the climate and the environment
- nutrition and human health
- social welfare and livelihoods

Opportunities for food system transformation largely depend on:

**Rural transformation**, i.e. the exploitation of potential agricultural productivity (reducing yield gaps and improving labour productivity).

**Structural transformation**, shifts in labour use from agriculture to off-farm and non-farm employment – there is an untapped potential of the food system **midstream**.
**Recommendations for a food systems transformation**

Three foundations for change need to align:

- **Food systems governance**
- **Inclusive markets**
- **Empowered rural people**

- **Governance and regulations** - “Improved regulations and conditions for rural labour, on and off the farm, will be needed to improve incomes”.

- **Investment** - Adequate rural infrastructure.

- **Technological Innovation**: Digital and frontier technologies can support system change.

- **Capacity: Educational institutions** have to teach not only basic technical digital skills but also advanced cognitive skills and noncognitive skills for smallholder farmers to become successful agrifood entrepreneurs.
## IFAD12: An evolving business model to maximise impact

### Transformational Country Programmes

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<tr>
<th>IFAD10</th>
<th>IFAD11</th>
<th>IFAD12</th>
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<tr>
<td>PoLG;</td>
<td>Fully programmed PoLG; Results Based Lending</td>
<td>New instruments: ASAP+ &amp; PSFP</td>
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<tr>
<td>Average IFAD project financing: $31 million</td>
<td>Average IFAD financing: US$40 million</td>
<td>Average IFAD financing: tracked, flexible</td>
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<td>Co-financing ratio: 1:0.87</td>
<td>Co-financing ratio: 1:1.4</td>
<td>Co-financing ratio: 1:1.5</td>
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### Institutional Framework

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<tr>
<td>HQ based</td>
<td>Decentralization of IFAD’s workforce; Hubs &amp; ICOs to 32% of IFAD staff in the field</td>
<td>Continued decentralization: from 32% to 45%</td>
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<td>Strengthening service delivery platform (HR; ICT)</td>
<td>Business process reengineering</td>
<td>Improving efficiency and boosting capacity in the field</td>
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### Financial Framework

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<td>Core contributions, DSF compensation</td>
<td>Core contributions, DSF compensations</td>
<td>Core contributions (including DSF compensation)</td>
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<td>UCCs</td>
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<td>Integrated borrowing framework ad New Liquidity Policy</td>
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<td>Sovereign loans</td>
<td>Sovereign loans and CPLs</td>
<td>ASAP+ and PSFP</td>
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Thank you!