

# IFAD

Corporate Induction &  
Senior Management  
Meet-and-Greet

## IFAD – Assembler of Development Finance

ERD, FOD, ODE  
Tuesday, 11 February 2025



# IFAD as an Assembler of Development Finance

## IFAD is the only IFI that invests in the 1<sup>st</sup> Mile

- IFAD, as an **IFI and a UN specialized agency**, is mandated to end rural poverty and transform the lives of the rural poor.
- The money invested comes from **replenishment contributions, loan reflows and borrowing**.
- **First sovereign loan** during IFAD9;  
**First concessional partner loan** in IFAD10; and  
**IFAD secures credit rating** in 2020 - IFAD11.
- IFAD amended its articles in IFAD11 **to engage directly with the private sector** and enhance its funding strategy.



*Women sift rice, IFAD project Madagascar*

# IFAD in the global financial architecture

IFAD offers **loans and grants** to finance rural transformation. IFAD provides grants to countries in debt distress or at high risk, and highly concessional loans to countries at moderate risk.

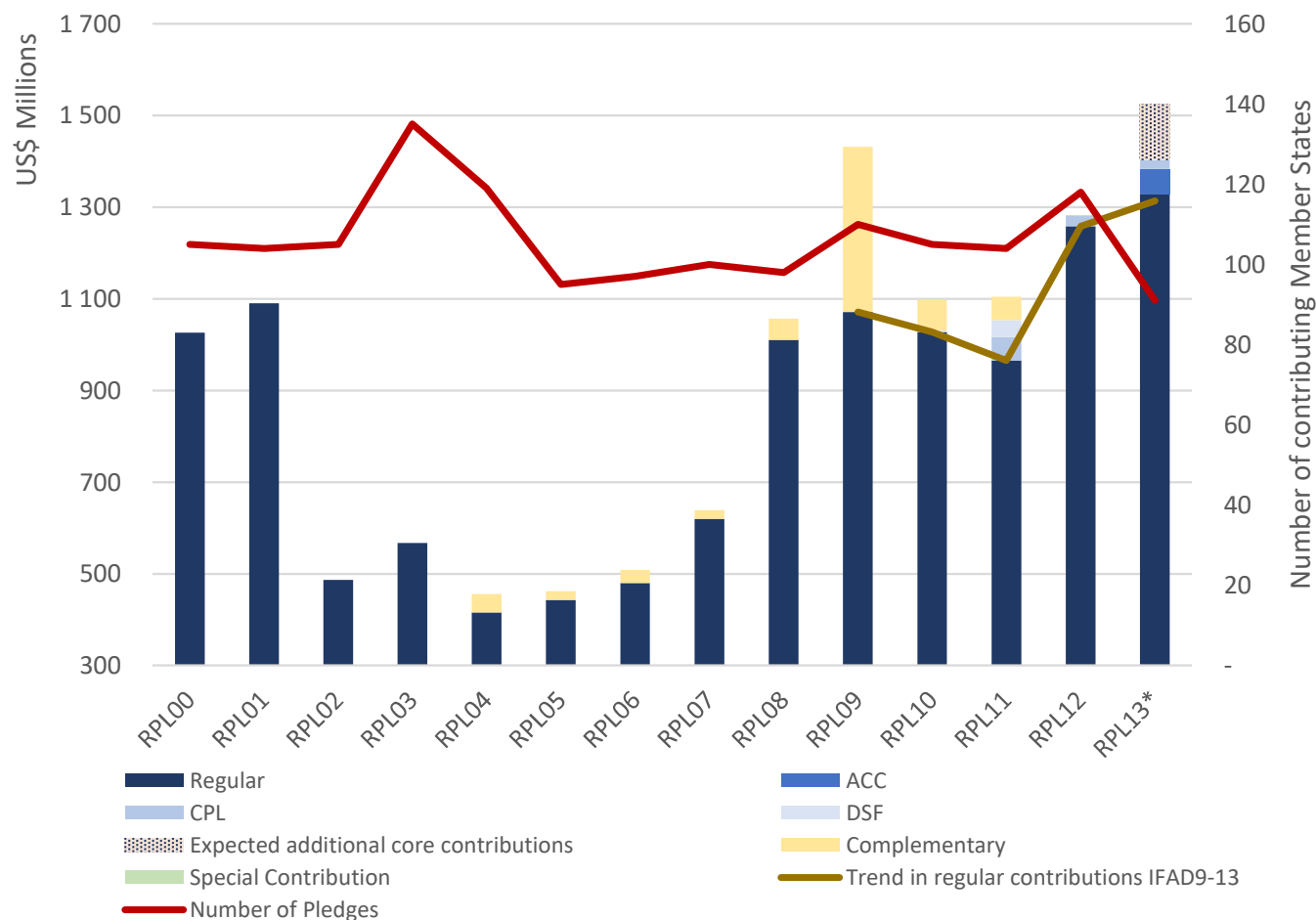
IFAD focuses on **development impact** and strong results that can be scaled up. IFAD partners with **public and private sector** to design country-owned and led projects.

Like other concessional windows, IFAD is replenished every three years and has a **strong history of support from Member States**.

**IFAD13 brings even more ambition:** 60% of core resources to Africa, 45% to Low Income Countries, and 30% to fragile situations

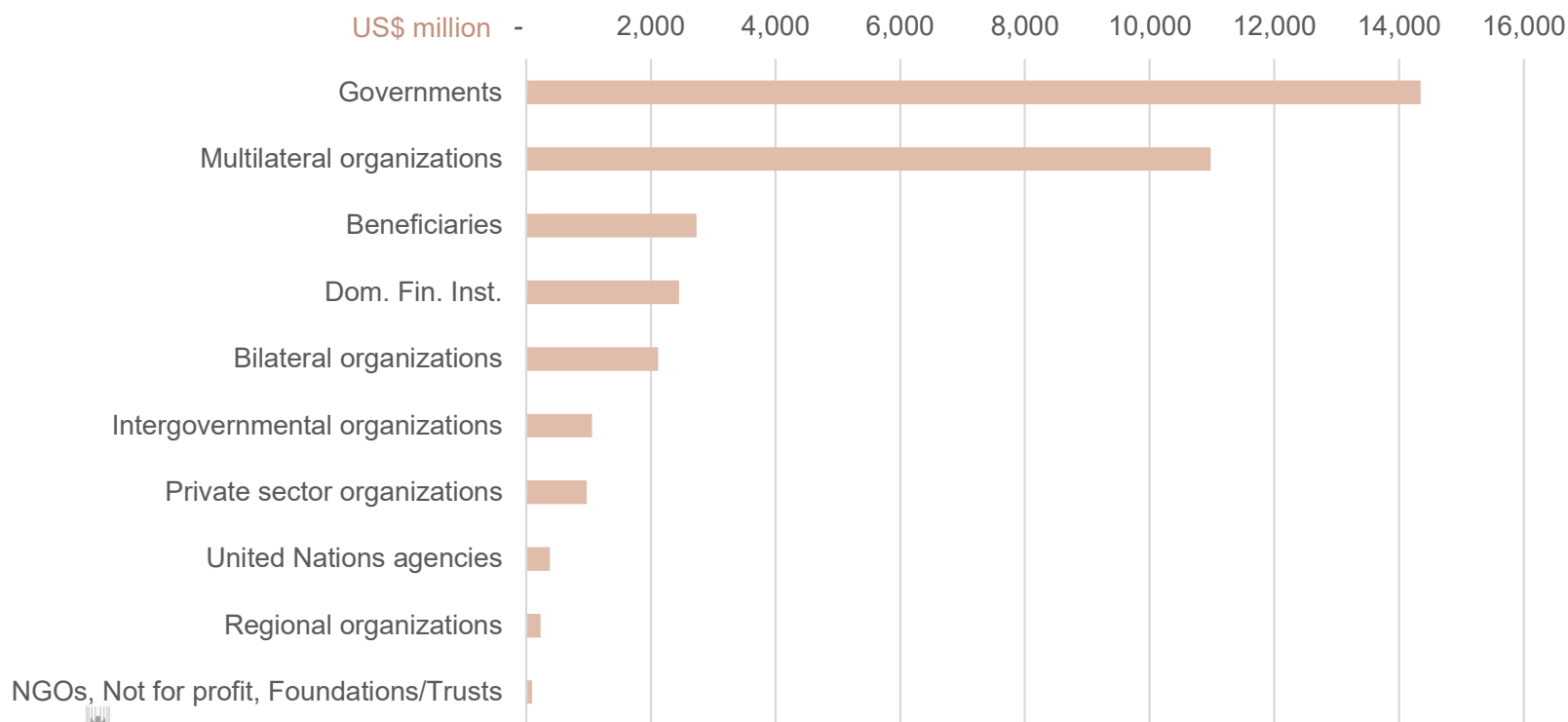
# Strong historical support from Members

**IFAD12 and IFAD13  
record-breaking  
replenishments**



# Catalytic effect and long-lasting partnerships

IFAD's main cofinanciers (since inception, US\$35.5 billion)



# IFAD's solid credit rating

## S&P Global Ratings

**AA+**

**Stable outlook**

Long-term foreign currency issuer credit ratings

**A-1+**

**Stable outlook**

Short-term foreign currency issuer credit ratings

## Fitch Ratings

**AA+**

**Stable outlook**

Long-term issuer rating

**F1+**

**Stable outlook**

Short-term issuer rating



### VERY STRONG CAPITAL STRUCTURE

- Excellent capitalization with equity increasing since inception, thanks to successful replenishments
- Fitch equity/assets ratio to far exceed the 25% "excellent" threshold



### PREFERRED CREDITOR TREATMENT

- Moderate credit risk
- Preferred creditor treatment
- Relatively small size and low debt servicing costs, affordable loans



### GLOBAL BEST PRACTICES IN RISK MANAGEMENT

- Strong financial and risk policies adapted to meet changing funding structure
- Experienced Treasury and Risk team



### LIQUIDITY: HIGH, AND IMPROVING QUALITY – AMPLE SIZE

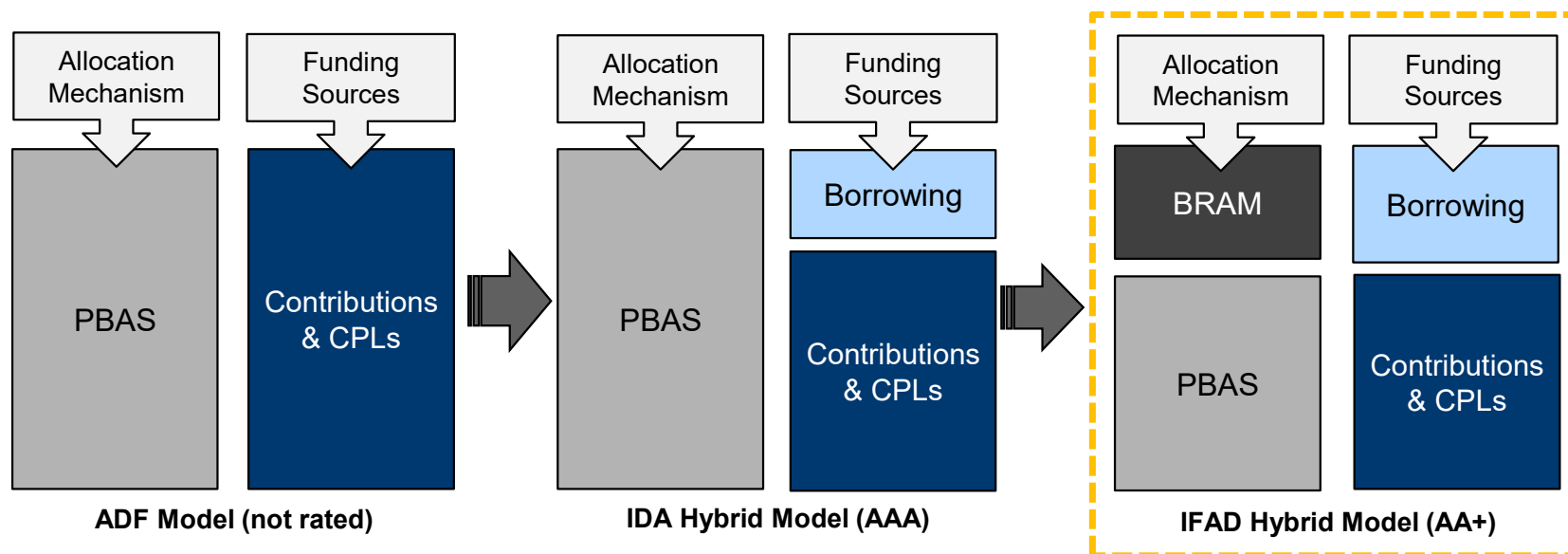
- Strong liquidity, bolstered by a well-managed liquidity policy
- High-quality investment portfolio



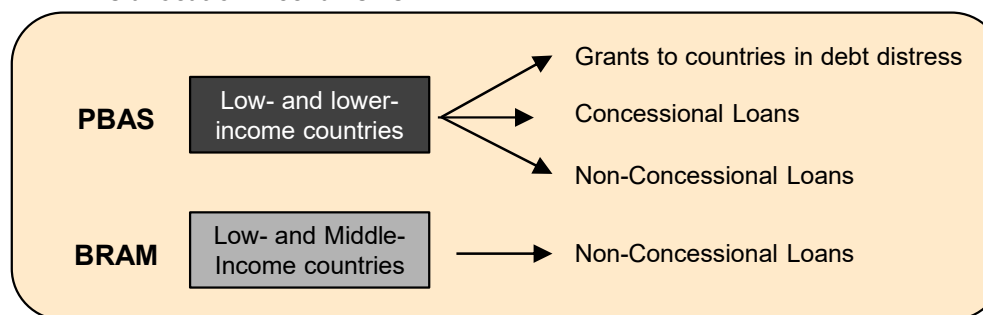
### CLOSE ALIGNMENT WITH POLICY PRIORITIES OF MEMBERS

- Importance of policy mandate with agricultural and rural development key to meet SDGs
- Full government ownership for successful project implementation

# IFAD's financing structure in perspective



## IFAD's allocation mechanisms



# IFAD's Funding toolkit



## Guided by IFAD's Integrated Borrowing Framework

### ➤ Sovereign loans



2014: EUR 400m  
2021: US\$ 454m



2017: EUR 200m  
2019: EUR 300m



2019: US\$ 112m  
2021: US\$ 152m



2022: EUR500m

### ➤ Concessional partner loans



2019: EUR 50m  
2021: EUR 60m  
2023: EUR 30m



2019: EUR 50m



2019: US\$ 20m  
2022: US\$ 20m

### ➤ Private placements



2022: US\$ 100m



2022: US\$ 50m



2023: EUR 65m



2023: EUR 115m



2024: SEK 1bill



2024: AUD 75m



2024: US\$ 50m



2024: EUR 100m



Investing in rural people

**Total IFAD debt outstanding as of end of June 2024: US\$2,337 million**



# IFAD's PoLG and PoW

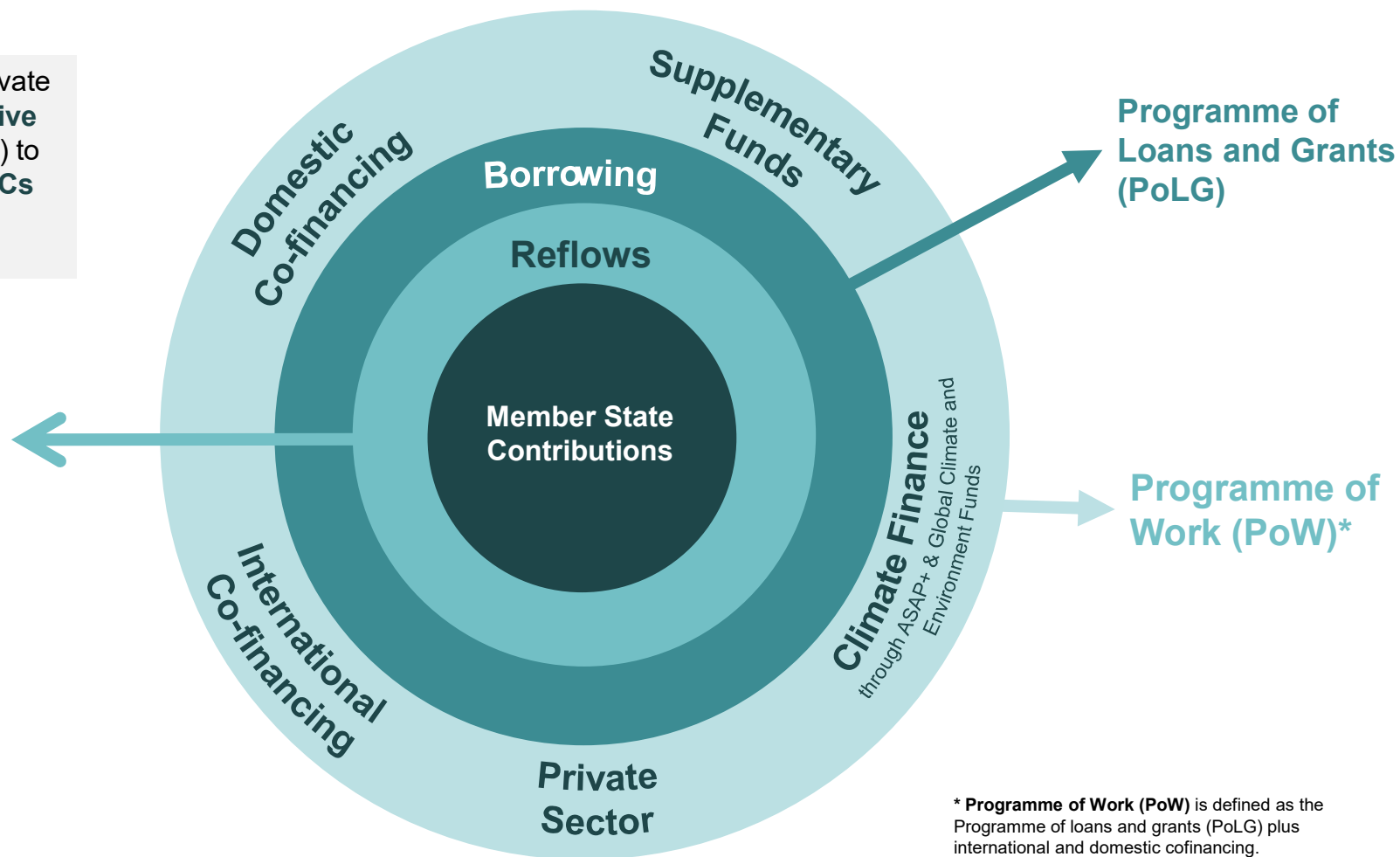
**Crowding-in** public and private resources through a **cohesive programme of work (PoW)** to maximise investments in **LICs & LMICs** and **ensure universality**

## Core funding:

- Core Contributions (including ACCs)
- Concessional Partner Loans (CPLs)
- Reflows



Investing in rural people



\* **Programme of Work (PoW)** is defined as the Programme of loans and grants (PoLG) plus international and domestic cofinancing.

# The ABC's of IFAD13 commitments

- **80** countries accessing finance based on country selectivity principles
- Two distribution mechanisms: **PBAS and BRAM**
- **All** developing countries served through IFAD-mobilized financing
- 100% of core resources to LICs & LMICs
- **NEW** Core resources to **LICs** = **45%**
- Total resources to **UMICs** = **11-20%**

**NEW** Co-financing ratio target increased from 1.5 to **1.7**

**NEW** **Climate top-ups** through core Additional Climate Contributions (ACCs)

● 45% of resources to climate finance

**NEW** **Core resources** commitments increased:



25% to **30%**  
**Fragile  
situations**

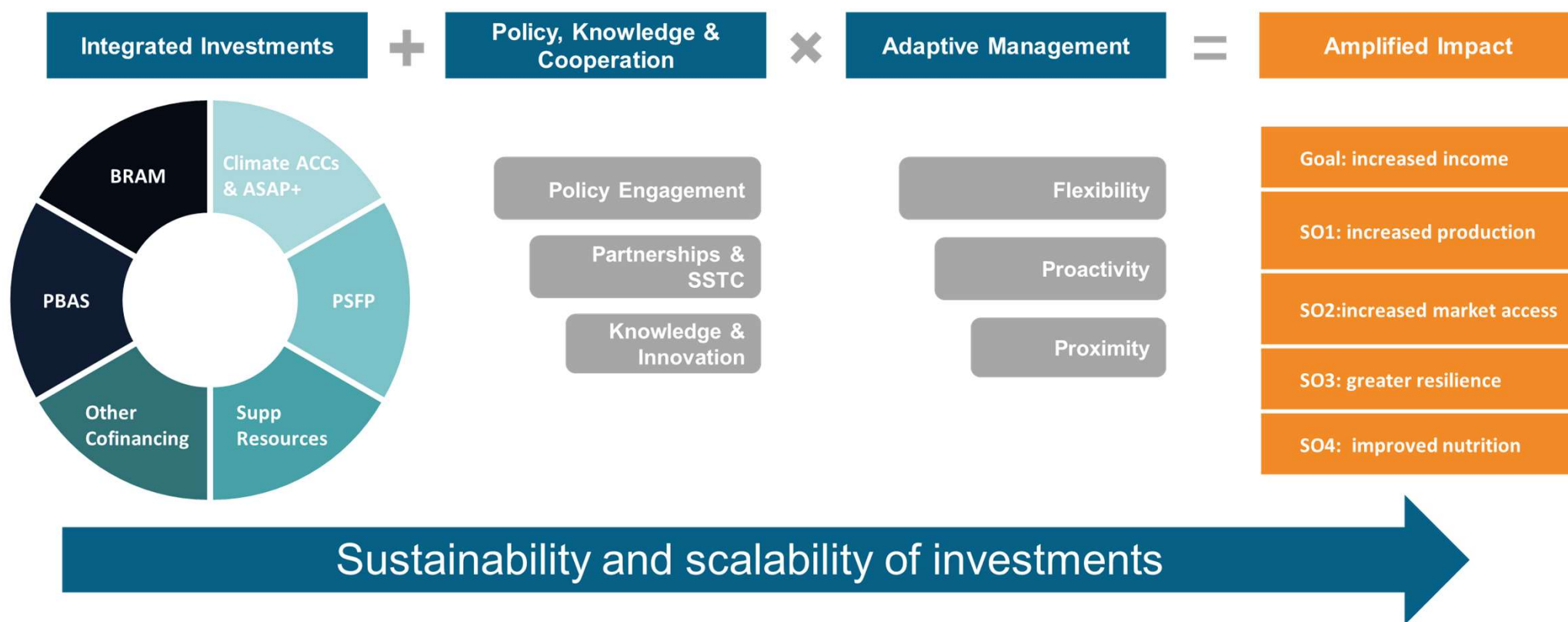


55% to **60%**  
**Africa**



50% to **55%**  
**Sub-Saharan  
Africa**

# Integrated country programmes for impact



## Contacts

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# Thank You