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Protecting Rural Livelihoods and Resilience

IFAD's Response to the Impacts of the War in Ukraine: A Crisis Response Initiative (CRI)

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Protecting Rural Livelihoods and Resilience

IFAD's Response to the Impacts of the War in Ukraine: A Crisis Response Initiative (CRI)

Summary

- This concept note lays out the key elements of IFAD's overall response to the global impacts of the war in Ukraine. IFAD has joined the call of the United Nations Secretary-General to end military operations in Ukraine, restore peace and protect human rights. The impacts are **shaking global food systems to the core** and are particularly significant due to the major role the Black Sea region plays in global food fertilizer and energy markets.
- 2. The conflict in Ukraine only compounds the vulnerability caused by COVID-19, climate change and extreme weather shocks. Those who will most immediately be impacted, are the poorest women and men of the developing world, specifically in the rural areas IFAD serves.
- 3. **IFAD's work in building resilience has continued to be successful**. For investments that closed in IFAD11, IFAD was able to measurably increase the resilience of its populations by more than 20 per cent. Moreover, IFAD's COVID-19 response, including the Rural Poverty Stimulus Facility (RPSF), has had a significant impact in protecting livelihoods and resilience building from severe shocks.
- 4. Learning from these experiences, IFAD's goal in responding to this new crisis is to protect the development gains and livelihoods of poor rural households and producers within our projects, while reinforcing their resilience to this new shock, focusing on the poorest and most affected countries. Specifically, IFAD will:
 - Re-double its focus on longer term resilience building through the Programme of Loans and Grants (PoLG) and supplementary funds, while supporting government responses to address crises in rural areas, including through the Rural Resilience Programme (2RP) to focus on food insecure and climate fragile countries;
 - Working with partners, notably the other Rome-based agencies (RBAs) to support government policy responses to deal with the crisis in rural areas, while building more sustainable food systems;
 - Deliver on initiatives currently designed by the international community that respond to the specific needs of countries and rural populations hit hardest by the spike in food and fuel prices;
 - Seek support to scale up the Facility for Refugees, Migrants, Forced Displacement and Rural Stability (FARMS) for countries neighbouring Ukraine where there are IFAD-financed projects.
 - Explore opportunities to scale up support through specialized initiatives like the Financing Facility for Remittances (FFR) and the Platform for Agricultural Risk Management (PARM);
 - Repurpose investments through ongoing projects where resources allow to address immediate needs, driven by country demand and project resource availability; and
 - Launch a new initiative the Crisis Response Initiative (CRI). The goal of the initiative is to protect productive livelihoods by addressing the urgent

needs caused by the current crisis while at the same time tapping into new market opportunities for small holders and so support sustainable food systems. This initiative will target especially those already most affected by the Ukraine crisis, while already dealing with other unforeseen shocks (COVID-19) weather extremities (e.g. droughts, floods, cyclones) and/or conflict.

- 5. The **CRI** has been designed to build on the recent experience and success of the **RPSF** in responding to COVID-19 and lessons learned in how to intervene during severe crises, especially in similar operating contexts, and how to address related shocks to inputs and supply.
- 6. **IFAD** recognizes that needs are substantial, but also still evolving. However, it is already evident that the re-purposing of IFAD's existing resources can only be done at a very limited scale given that already nearly US\$200 million was repurposed for COVID-19 response, and additional funds will therefore be needed for countries worst affected and already suffering from shocks. Regions of particular concern are: the **Horn of Africa** due to emerging drought and conflict related famine; **Southern Africa** due to cyclones and **the Sahel** due to increasing insecurity. There is also increasing evidence that Central Asia could be hard hit and we remain concerned about North Africa particularly Egypt and Tunisia.
- 7. Depending on specific needs of communities, the CRI will provide **critical support for markets in local and regional contexts**. This comes from longstanding evidence that during conflicts and states of fragility, supporting markets (informal and formal) serve as important ways to cushion shocks, reduce vulnerability and smooth consumptions. IFAD's overall interventions will focus on providing: access to inputs; household credit for immediate needs (including for the new planting season); small-scale infrastructure to increase production and marketing (e.g. irrigation and storage); and access to information on production and markets, notably through easy-to-access digital platforms. With targeted and tailored interventions, the CRI will contribute to preventing hunger and food insecurity as well as mitigate the worst impacts of the food crisis on poor rural communities.
- 8. The CRI is fully aligned with IFAD's Strategic Objectives (SOs) and IFAD12 Replenishment. IFAD's Member States have set the direction for the Fund's activities for the current three-year replenishment period with a focus on "recovering, rebuilding and resilience", especially in the context of COVID-19. The focus of the CRI is to complement both the sovereign operations implemented through IFAD's core resources, and the private sector non-sovereign operations implemented through IFAD's managed Private Sector Financing Programme. IFAD's ongoing operations, worth US\$7.7 billion and totalling over US\$17.5 billion with its additional domestic and international co-financing, along with its nascent although impactful private sector portfolio, are guided by the three SOs of its Strategic Framework, which centre around rural people's productive capacities, beneficial market participation, and environmental sustainability and resilience.
- 9. During IFAD11 (2019-2021), the Fund expects to have helped to improve the resilience of 24 million rural people; the target for IFAD 12 is 28 million. To achieve and sustain these gains, while also building long-term resilience, we need to also ensure we can mitigate now against the increasingly frequent and severe global shocks. Unfortunately, Ukraine is only the latest global shock and it is clear that rural communities and households will be increasingly more vulnerable. This is the focus of the CRI to complement operations implemented thorough IFAD's core resources as well as the Private Sector Financing Programme (PFSP).

I. Impacts of the war in Ukraine on IFAD's target group

8. **Weakened global food systems**: As recent reports indicate, the conflict in Ukraine is leading to an increased and worrying fragility and instability not only in global food

systems, but especially in indebted and vulnerable countries, and communities. While countries are experiencing things differently, impacts include severe food and energy price spikes, heightened inflation, reductions in remittance flows, and decreased availability of staples such as wheat, maize and vegetable oils. Farmers are facing challenges in paying for and accessing agricultural inputs including fertilizer, and in paying for the cost of fuel for machinery and transport to reach markets, which will add to the current food crisis and if not quickly addressed will affect the next season's planting and harvests. There is a high likelihood that global progress towards SDG1 and SDG2 will be negatively affected as a consequence.

- 9. **Worrying impact on global food insecurity:** As of March 2022, the impact of the crisis on global food and energy markets and on the global economy has already become evident. For example, FAO has shown that there has been an increase in 28 per cent in global food prices. UNCTAD indicates that prices of fuel and fertilizer are also seeing significant increases with crude oil following an upward trend since the US warning of Russian involvement and over 35 per cent increase since December, and an increase in fertilizer prices by 14 per cent since the conflict started.¹
- 10. **Heavier impact on specific groups of countries:** Some countries are far more exposed to the effects of fuel, food and energy price shocks. These include those that are major importers of cereal stocks of wheat and maize from Russia and Ukraine (e.g. Egypt, Lebanon, Somalia, Sudan and Tunisia); and those facing rising fiscal pressure due to higher import bills because of increases in imported energy prices (e.g. Afghanistan, Ethiopia, Haiti, Mali, Madagascar and more with severe fuel important dependence). Others are witnessing a deterioration in the terms of trade and a loss or devaluation of remittances, or inflows of refugees from Ukraine (particularly in Moldova and neighbouring countries). Central Asia could also be hard hit (e.g. 40 per cent of Tajikistan's GDP comes from remittances and there are 7 million Uzbeks working in Russia).
- 11. Current vulnerabilities of IFAD's target group worsened: The impact of the Ukraine crisis is being especially felt across sub-Saharan Africa, North Africa and the Near East, and Central Asia because of systemic productivity and financing gaps, infrastructural and market weaknesses, and recent shocks and key stressors such as the COVID-19 pandemic, extreme climate events (from protracted droughts in the Horn of Africa to cyclones in Southern Africa), and conflicts (e.g. in the Sahel). Further IFAD analysis is available on request.

II. IFAD's response to global impacts of the war in Ukraine

- 12. The role of IFAD in a crisis is critical to support and promote resilience-building and capacity to mitigate the impact of shocks and protect longer-term development gains. IFAD is a specialized United Nations agency and also an international financial institution. It is mandated to provide investment and support in ending rural poverty and food insecurity. IFAD's specific role lies not in direct humanitarian interventions but in addressing the impacts of crises on rural people's livelihoods, local food systems and small-scale agriculture, building on evidence of successful interventions in fragile contexts.
- 13. IFAD has been asked by some of its Members to design a response and lead on several initiatives, and will help to ensure convergence and coordination. The Fund is leading with the World Bank on the "Means of Implementation: Finance" track that came out of the Food Systems Summit last year. We are designing the sustainability component (Pillar 3) of the AU/EU's "Food & Agriculture Resilience

¹ 1st Task Team Presentation to the Steering Committee from the Global Crisis Response Group Task Team. UNCTAD. The Global Crisis Response Group was announced by the UN Secretary General on 14 March 2022 and formed to respond to the interconnected challenges posted by the conflict in Ukraine. The Task Team's first presentation to the Steering Committee highlighted that Ukraine and the Russian Federation are crucial global influencers on availability and prices of food, energy, and fertilizers, which have cascading global effects.

Mission" announced on March 26. We are working closely with the African Development Bank to shape a joint 1x200 Facility focused on boosting agricultural productivity, particularly in nine commodities that include those that are now strongly affected by the supply chain disruptions associated with the conflict in Ukraine. We have joined MDBs and Members calling for Special Drawing Rights to be allocated to designated holders like IFAD to finance the recovery from COVID and this current shock. Our work with Public Development Banks coalition in the Finance in Common Summit will be yet another avenue to boost agricultural production capacity through public and private investment. Finally, there are indications that the G7 and G20 are considering asking IFAD to contribute to the international community's response. As IFAD is asked to lead on these separate strands of response, we will endeavour to make sure they converge to bring about real change to rural populations. Now is the time to scale up, while ensuring proper coordination for maximum effect.

- 14. Experience from the COVID-19 crisis response: During the IFAD11 period, the COVID-19 pandemic affected IFAD borrowing countries and target groups in multiple ways. Communities suffered severe disruption to services, markets, movement of people and goods. To address such diverse impacts, IFAD put in place a comprehensive set of demand-driven measures to support both borrowing countries and poor rural people. These spanned five areas: a)repurposing ongoing investments to provide immediate responses over US\$170 million from its core portfolio²; b)providing a special allocation of US\$25 million to the PSFP in order to support private sector-led interventions addressing COVID-19 effects; c)supporting analyses and policy responses for food security and protecting the rural poor and vulnerable groups; d) approving emergency operations in IFAD's existing PoLG; and e)establishing a rapid-response RPSF, to address the key immediate challenges faced by small-scale farmers. As of April 2022, RPSF has targeted nearly US\$89 million for 55 single-country and 9 multi-country projects, with US\$22 million in cofinancing, and is expected to reach over 4 million households.
- 15. Overall, this comprehensive response to the pandemic has shown that IFAD can effectively adapt its portfolio and its instruments to work alongside borrowing countries, the private sector and other partners to address shocks and build long-term resilience. For example, using US\$560,000 of repurposed funds through the Vocational Training and Agricultural Productivity Improvement Programme in Madagascar, training and employment were provided to 2,500 rural youth in public works schemes, helping to develop 150 hectares of irrigation systems for local farmers. This has built local infrastructure, improved local food availability, ensured a source of income for project beneficiaries despite COVID-19 impacts on production and employment, and will help to ensure that the project's longer-term objectives to support to the livelihoods of rural youth remain on track.
- 16. Early results from an assessment from RPSF financing focused on the provision of in inputs in Djibouti is showing that nearly all of surveyed households reported having retained or improved their production, sales, income, number of meals and resilience after RPSF interventions were implemented.
- 17. Additionally for RPSF, one regional project is working with Seed Systems Group (a Kenya-based NGO) to stimulate local production of climate-resilient seeds in Djibouti, Eritrea, Somalia and South Sudan. By introducing improved varieties developed by local and international research centres to local seed multipliers (including government agents, NGOs, and the private sector) the project is securing seed access of improved varieties for 90,000 smallholders. This project has also been used to enable the Intergovernmental Authority on Development (IGAD) to improve the

² There is limited room for further repurposing without risking to fail to achieve portfolio objectives and the IFAD12 commitments.

- policy for resilience building of the seed sector in the region. Several other assessments are underway to continue to inform policy with lessons learned.
- 18. IFAD will respond to this crisis to the extent possible through its existing instruments, policy engagement and financial capacity. In line with its comparative advantage and in response to emerging demand from borrowing countries, IFAD's response will be based around five (5) pillars specifically directed to protect our programmes and beneficiaries from the immediate impacts while investing in medium- and long-term resilience as follows:
 - Leveraging core resources of the PoLG and supplementary funds to
 address the immediate and longer-term impacts on food systems and rural
 resilience, in line with IFAD12 priorities including: strengthening its existing
 Rural Resilience Programme (2RP) that targets food-insecure and fragile areas
 to make the countries and communities more resilient, while focusing on food
 systems and constructing low emissions development pathways in a sustainable
 manner and ensuring equitable transitions, as well as promoting private sector
 interventions through strengthening and resourcing the PFSP.
 - Support government policy responses. IFAD has a comparative advantage in working with governments to ensure policy responses address the specific needs of rural communities and smallholders. In the wake of the COVID-19 pandemic, IFAD worked through the United Nation Country Teams (UNCT) and RBAs to provide specific policy support in 46 countries, with tangible success. IFAD will build on this experience and redirect funds to its country teams and project delivery teams (PDT), to enable them to support policy responses, with empirical analysis from the affected communities. IFAD will do this working closely with governments, UNCTs and other partners. Key issues already identified include increasing resilience in the face of shocks, developing and strengthening local markets, and addressing the challenges faced by women and youth.
 - Scaling up support through the existing Facility for Refugees, Migrants,
 Forced Displacement and Rural Stability (FARMS) where additional
 resources can support actions in neighbouring countries and for areas where
 there are significant refugee populations and where IFAD has programmes. such
 as in Moldova and Georgia.
 - Scale up responses for action related to agricultural insurance and reducing the cost of remittances (PARM and FFR, respectively) if additional resources are available. FFR would be of particular relevance to Central Asia.
 - Launch a new initiative (the Crisis Response Initiative) for short-term livelihoods protection and resilience building for rural communities in the poorest countries affected by the crisis while facing acute financial constraints. Many of these countries are already suffering other shocks such as drought or conflict. IFAD's capacity to adapt and respond at scale is particularly required in the poorest, most indebted countries where it is otherwise constrained due to the limited availability of grant resources within the POLG for these countries. Therefore, the CRI will leverage IFAD's ability to respond to the crisis with speed by channelling additional grant resources through existing projects to countries where the impact of the crisis is most acutely felt by poor rural people and small-scale farmers, and where alternative funding sources are limited. The outcome will be to address inabilities to cope with these shocks for the most vulnerable.

III. The Crisis Response Initiative

- 19. While IFAD is still assessing the implications of the crisis on its target group, country teams' observations and discussions with in-country stakeholders indicate that poor and food-insecure rural populations are facing a livelihoods and food crisis as prices for agricultural inputs, fuel and food simultaneously increase. This crisis also demonstrates the increased need for new local and regional markets as demand for small-scale production increases, and for IFAD to support the development of sustainable food systems with small-scale producers playing a more prominent role.
- 20. The goal of the initiative is therefore to protect productive livelihoods by addressing the urgent needs caused by the crisis while at the same time tapping into new market opportunities for smallholders and thereby support sustainable food systems. It focuses on four categories of support depending on specific needs identified, and where possible will work through existing projects to ensure prompt and efficient delivery. Whenever possible, all four categories will be pursued to produce maximum positive overall impact on productive livelihoods and across spending/investment and market engagement capabilities.
 - a. Ensure small-scale farmers, fishers and livestock producers have affordable access to inputs such as breeding stock, seeds, fodder, fuel, fertilizer and technology to facilitate continuity in crop, fisheries and livestock rearing operations and continued use of fuel-operated implements (e.g. irrigation pumps) while supporting transitions to sustainable input use and to alternative sources of energy (including renewables), inputs, and fodder when relevant and possible;
 - b. Improve food systems and production by investing in small-scale infrastructure to improving productive capacity and reduce post-harvest losses through the development or upgrading of community-based infrastructure (e.g. small-scale irrigation and water storage, warehousing and cold-chain infrastructure), subject to the development of financial sustainability plans to ensure its post-grant operation, combined with capacity building interventions to ensure sustainable use of such infrastructure at the community level, aiming to maximize local availability, safety, and nutritional quality of staples and other food products while ensuring the needs of women and children are especially supported³;
 - c. Support access to finance (including insurance and remittances) for immediate needs of small-scale producers (including agricultural inputs for the new planting season), small and micro rural enterprises and rural households, through grant funding to be blended where appropriate with loans, insurance and remittance-based products to be delivered by local financial intermediaries; and
 - d. Facilitate access to markets and market-related information by small-scale producers and micro and small rural enterprises. Sustaining markets is particularly important in view of heightened uncertainty. For the market information, focus will be on price and market-related information related to demand and supply in local and national markets, as well as on facilitating digital connectivity across value chains to facilitate and de-risk small producers' market participation.

Figure 1. Categories of support offered under CRI

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³ These investments will all meet IFAD's overall mainstreaming requirements related especially to targeting women, youth and marginalized groups.

Protecting productive livelihoods while also tapping new market opportunities and supporting food systems









Inputs and basic assets

To facilitate continuity in crop, fisheries and livestock rearing operations and continued use of fuel-operated implements Investing in small scale infrastructure

improving productive capacity and reduce post-harvest losses Access to short term finance

Through grants, loans, insurance and remittance based products to offset the impacts of the crisis Facilitate access to market related information

Focused on price, demand, and supply related information, including through digital connectivity

21. As a mechanism, the CRI will be responsive, flexible, demand-driven and efficient. CRI will disburse primarily through IFAD-supported projects, where a ready mechanism is available both for delivery and targeting, to protect existing livelihoods while building resilience. Additionally, where appropriate, it will work through non-state and other actors and particularly farmers' organizations (which played an effective role in RPSF activities) when these have a comparative advantage in delivering efficiently and rapidly. Regional initiatives will be funded where economics of scale or efficiencies can improve impact. The role of CRI in IFAD's response to the Ukraine crisis is to mobilize and deploy additional financial resources to address short-term investment needs, support livelihoods and build and sustain markets.

22. The rationale of the CRI:

- From a financial perspective: Availability of grant resources is important for countries in financial distress and especially where the impact of the crisis is weighing on balance of payments and where the country has limited fiscal space, thereby undermining public (and often also private) investment capacity for an inclusive rural transformation. It is particularly important to ensure that short-term productive expenditures on agriculture and the rural sector are maintained, at a time when these expenditures may be in competition with other areas of public expenditure such as food subsidy programmes.
- From an operational perspective: Mobilization of additional resources is necessary to address immediate exceptional spending needs, especially around productive rural livelihoods that support local food systems and markets, as the longer-term implications of the crisis become clearer. Such implications can then be addressed through regularly funded programmatic activities in the medium term, in agreement with borrowing countries and within the scope of IFAD's Strategic Framework and IFAD12 Replenishment commitments.
- 23. **CRI targeting approach:** Some of the countries hardest hit by the crisis (Somalia and Yemen) are not eligible to access IFAD's core resources (PoLG) due to arrears, so projects can only be funded through supplementary grants portfolio. Several others are in debt distress (e.g. Afghanistan, Burundi, Chad, Ethiopia, Haiti and Mozambique) and are only eligible for the limited grant funding in the PoLG. Others are on the brink of falling into debt distress (e.g. Benin, Bhutan, Liberia, Madagascar, Malawi, Mali, Niger and Uganda). This makes it critical to have additional grant resources available to complement limited project funding in areas of need, and to avoid creating more debt at an exceptionally difficult time for poor rural households, for these economies and for their food systems. Therefore, initial eligibility will focus

- on the 22 countries in Table 1 (which are in or at high risk of debt distress), but as more countries fall into debt distress, the eligibility list will be updated. To be eligible, countries must also be IFAD members with an active portfolio.
- 24. However, learning from the RPSF, IFAD needs to prioritize sufficient resources to have an impact, so initially the CRI will not be providing resources to all 22 countries. The starting point for eligibility as explained above are countries in debt distress, plus Yemen and Somalia. To prioritize within the group of countries considered eligible, IFAD has set out a two-step approach in Table 1 to understand the burden of the current crisis, level of need and food insecurity, and presence of other severe crises.
 - a. In the first instance, based on the 22 eligible countries, Table 1 identifies countries that are most affected by the crisis and require support in line with IFAD's mandate starting with level of debt distress. Although at this stage data is very limited, particularly for some countries, it highlights key impacts of the crisis identified by FAO, UNCTAD and others related to severe exposure to the shocks of the commodities caused by the Ukraine war. It also notes which countries are facing active conflicts, concurrent natural disasters and high levels of food insecurity to ensure the CRI focuses on reaching those most vulnerable (columns under impacts of Ukraine war and existing vulnerabilities). This gives the first order of prioritization (6, 5, 4, 3 etc. factors).
- 25. As a second order of prioritization within categories of the first order (e.g. between all those scoring 6), IFAD uses the composite, benchmark UN INFORM index of vulnerability (which IFAD also used for the RPSF) to identify which countries would be most vulnerable in light of a very detailed and comprehensive range of shocks. The index ranks countries based on their exposure to hazards, vulnerability and inability to cope.
- 26. Needs are enormous and resources very limited. For an adequate response, countries and projects will need sufficient resources we currently are proposing an initial allocation of US\$ 3 million per country, with additional allocations if resources are available once priority countries have had an initial allocation. Depending on available resources, IFAD proposes prioritizing support to the first 5 and if possible 9 countries (dark and medium blue scoring 6 and 5 on 1st order prioritization ranking). If more resources become available, then IFAD could consider the next 2 countries with greatest need (scoring 4 in the first order or prioritisation light blue) which are still significantly impacted, vulnerable and unable to cope. Therefore, the immediate initial target for the CRI is to raise at least US\$33 million dollars for the top 11 countries, with an ambition of raising US\$100 million to cover all 22 priority countries and additional emerging countries in need. The CRI approach is also scalable, and will be adapted as resources become available and in coordination with the shaping of global response initiatives.
- 27. IFAD will also continue to monitor countries not initially included but which become eligible and add them as necessary (as we have just done for Sri Lanka following its economic crisis and default and impacts of the Ukraine war).

Table I: Countries targeted through the Crisis Response Initiative (TBC).

Country Selection metrics										
Country Info		Eligibility	Impacts of Ukraine and existing vulnerabilities						Ranking ordinance	
Region	Country	Country classification by granularity of concessionality	Active conflict (WB)**	Medium-Very High food security risk (indicator of INFORM)***	Medium-Very High natural hazards and exposure (indicator of	Trade exposure to cereals (UNCTAD)*****	Sunflower oil's share of total value of imports is relatively high (FAO)******	Import dependence on fuel (UNCTAD)*****	1st order: Number of destabilizing factors ******	2nd order: ranking of general susceptibility and vulnerability to shocks (INFORM risk score)********
NEN	Somalia*	Not eligible to PoLG due to arrears	x	x	x	x	x	x	6	1
APR	Afghanistan	Country in debt distress	x	x	x	x	x	x	6	3
NEN	Yemen	Not eligible to PoLG due to arrears	x				x	x	6	4
ESA	Mozambique	Country in debt distress	x				x	x	6	9
LAC	Haiti	Country in debt distress	x				x	x	6	17
ESA	Ethiopia	Country in debt distress	x	×	x		x	x	5	12
ESA	Burundi	Country in debt distress	х	x	x		х	x	5	24
ESA	Eritrea	Country in debt distress		x	х	x	х	х	5	29
ESA	Madagascar	High risk of debt distress		х	х	x	х	х	5	43
WCA	Central African Republic	Country in debt distress	х	x			х	x	4	6
ESA	Malawi	High risk of debt distress		x	х		х	x	4	59
WCA	Chad	Country in debt distress	х	x	х				3	5
WCA	Niger	High risk of debt distress	x	х	x				3	8
WCA	Mali	High risk of debt distress	x		x			x	3	11
ESA	Uganda	High risk of debt distress		x	x			x	3	18
WCA	Liberia	High risk of debt distress		x	х	no data		x	3	32
WCA	Guinea-Bissau	Country in debt distress		x		x		x	3	72
WCA	Gambia	Country in debt distress		х		x		x	3	85
ESA	Comoros	High risk of debt distress		х		x		x	3	93
APR	Sri Lanka	Country in debt distress			x		x	x	3	96
APR	Bhutan	High risk of debt distress		х	x			x	3	112
WCA	Benin	High risk of debt distress				x		x	2	65

Region	Number of countries				
APR	3				
ESA	8				
LAC	1				
NEN	2				
WCA	8				
Total	22				

^{*}Somalia was marked in the table as import dependent on fuel due to impact of high-intensity conflict, which has impacted the country's refinery operation. Moreover, Somalia depends on imported petroleum for eletricity production (AFREC): https://wedocs.unep.org/bitstream/handle/20.50

^{**}Defined as a country in high or medium intensity conflict from World Bank harmonized list of fragile and conflict affect situations 2022: https://thedocs.worldbank.org/en/doc/bb52765f38156924d682486726f422d4-0090082021/original/FCSList-FY22.pdf

^{***}This is a specific indicator of the INFORM risk Index. Given Niger's food security INFORM score very close to medium, it was marked in the medium-very high category.

^{****} This is a specific indicator of the INFORM risk Index.

^{*****}UNCTAD Global Crisis Response Group Task Team Presentation to 1st Steering Committee: A Crisis of Triple Vulnerabilities (UNCTAD Statistics)

^{******}FAOSTAT's crops and livestock products: https://www.fao.org/faostat/en/#data/TCL

^{********}UNCTAD Global Crisis Response Group Task Team: A Crisis of Triple Vulnerabilities (UNCTAD Statistics)

^{********}Relevant boxes are: Active conflict, food security risk, natural hazard exposure, trade exposure to cereal, sunflower oil's share of total imports and import dependency on fuel.

^{********}INFORM Index: https://drmkc.jrc.ec.europa.eu/inform-index/INFORM-Risk/Results-and-data/moduleId/1782/id/433/controller/Admin/action/Results

IV. Seeking contributions to scale-up IFAD's response capacity

- 28. IFAD recognizes the extraordinary efforts that Member States have made to fund the IFAD12 replenishment. This strong support is the basis for IFAD's capacity to **build resilience of rural livelihoods and food systems.** Continued support of IFAD's core resources, private sector work and supplementary programmes will remain critical going forward.
- 29. Given the constraints to IFAD's ability to step up support for immediate responses in the most affected countries, additional grant resources will be necessary. The global impacts of the war in Ukraine will be significant, and additional support will be critical to communities IFAD serves. IFAD welcomes the interest it has received from Member States and others to support scaling up its crisis response capacity.
- 30. As presented in this note, IFAD's Crisis Response Initiative focuses on countries where the impacts on food security and rural resilience will be greatest. **IFAD** welcomes Member States and others to contribute with grant resources to CRI, and specifically to the facility to be set up to receive and manage these. IFAD also will propose to its Executive Board the use of its own grant resources, upon contributions from donors.
- 31. The Fund also welcomes contributions to FARMS to help with the refugee response in neighbouring countries and to its existing mechanisms including IFAD12, 2RP, PARM and FFR, PSFP) to scale up existing work that addresses key areas for rural recovery, remittances, rebuilding and resilience.
- 32. In light of increasing debt vulnerabilities, IFAD also welcomes contributions to arrears clearances for the poorest and most indebted Member States such as Somalia.