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# Building a more resilient future: IFAD's partnership approach for global food security

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# Building a more resilient future: IFAD's partnership approach for global food security

### I. Introduction

- 1. In light of current global challenges and the significant financing gap for food systems transformation, partnerships and stronger collaboration are essential to eradicating rural poverty and hunger. There is a critical need for stronger, more coordinated investment and collaboration that aligns with partner countries' needs and priorities. Official development assistance (ODA), while crucial, is inadequate.¹ This requires more partners to work together effectively and innovative financing mechanisms to raise more investment. Today's proliferation of funds and mechanisms to achieve the Sustainable Development Goals (SDGs), including SDG 2, creates inefficiencies that constrain results. Conversely, carefully forged partnerships around established and complementary mandates offer a powerful pathway to mobilize finance from different sources, align it to sustainable development objectives and direct it to where it is needed.
- 2. This presents an opportunity for IFAD to be a leading partner in increasing global development finance to food systems. IFAD's deep understanding of rural livelihoods, coupled with its proven track record of fostering inclusive and sustainable food systems transformation in close partnership with Member governments, positions it as a key actor and partner. IFAD can develop innovative financing mechanisms, promote risk sharing and blended finance instruments, and advocate for increased investments in agriculture and rural development, ensuring that the needs of the most vulnerable rural communities are not overlooked in the pursuit of a more sustainable and equitable future.<sup>2</sup>
- 3. **IFAD** is uniquely positioned to partner across the financing landscape effectively and efficiently. IFAD is the world's second-largest multilateral investor in food and agriculture and the only specialized United Nations agency with the ability to raise funds on capital markets. It is a valuable partner given its highly specialized mandate and strong comparative advantage in investing in rural areas and small-scale agriculture. Since the approval of the Partnership Framework in 2019, IFAD's strategic approach to partnerships has led to concrete results by connecting partners and financing to poor and vulnerable rural people. The Thirteenth Replenishment of IFAD's Resources (IFAD13) will confirm the high importance IFAD places on strategic partnerships.
- 4. This discussion paper outlines IFAD's partnership approach and ambition for partnerships that bring about transformative change. Building on IFAD's long-standing partnership experience, the paper discusses how IFAD can enhance the use of partnerships to convene local and global partners, assemble development and climate finance for rural communities, and amplify rural voices and perspectives in decision-making processes.

# II. IFAD's partnership approach and experience

5. Partnerships are essential for IFAD to deliver its mission of empowering rural people and transforming food systems. Through partnerships, IFAD mobilizes resources, convenes stakeholders, assembles knowledge and expertise, and amplifies impact. IFAD partners with governments, development agencies

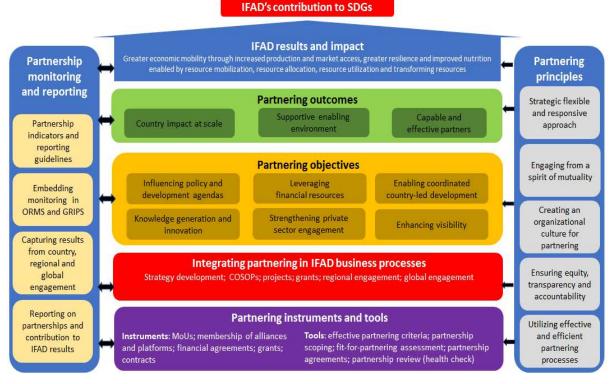
<sup>&</sup>lt;sup>1</sup> https://sdapulse.unctad.org/official-support-development/.

<sup>&</sup>lt;sup>2</sup> IFAD defines partnerships as collaborative relationships between institutional actors that combine complementary strengths and resources to achieve common goals and objectives. IFAD partners with a variety of organizations at the local, country, regional and global levels, including Member States, international financial institutions, United Nations agencies, multilateral agencies, research institutions, civil society organizations, the private sector, multilateral platforms and foundations.

(including United Nations agencies and international financial institutions [IFIs]), civil society organizations, the private sector and academia to leverage their resources, expertise and networks. Different types of partnerships allow IFAD to tailor interventions to local needs and demand; mobilize more resources for investment in food systems and rural development; influence policy at different levels; share knowledge and innovations across sectors and disciplines; scale up impact; and support the voices of rural communities.

6. The IFAD Partnership Framework (2019)<sup>3</sup> is a comprehensive approach to enhancing the effectiveness and impact of IFAD's work.

Figure 1 **IFAD's Partnership Framework** 



- 7. The framework is designed to help IFAD achieve its mission by enabling it to:
  - (a) **Shape development agendas and inform policies.** IFAD works closely with governments and through partners to ensure that development priorities and investments are in favour of rural poor people. This involves conducting policy research and analysis, building alliances for influencing change, and actively participating in multi-stakeholder forums (such as the Committee on World Food Security) and global processes, including the Indigenous Peoples' Forum, the Farmers' Forum and the G7/G20.4 Other examples include IFAD's hosting of such entities as the International Land Coalition, the Global Donor Platform for Rural Development (GDPRD) and the Smallholder and Agri-SME Finance and Investment Network (SAFIN). Through these partnerships, IFAD contributes to shaping development agendas at the global, national and local levels.
  - (b) **Leverage financial resources.** IFAD's ability to assemble and leverage financial resources through partnerships is a key component of its comparative advantage. The Fund's robust financial structure, including its AA+ credit rating, has enabled it to diversify its borrowing sources, prudently leverage its capital, secure essential core contributions and attract additional

<sup>&</sup>lt;sup>3</sup> https://webapps.ifad.org/members/eb/127/docs/EB-2019-127-R-4.pdf.

<sup>&</sup>lt;sup>4</sup> This can be seen in the G7 <u>Hiroshima Action Statement</u> and G20 <u>New Delhi Leaders' Declaration</u>.

supplementary resources through strategic partnerships. By collaborating with development partners, non-governmental organizations and, increasingly, the private sector, IFAD gains access to a broader pool of funding, expertise and innovation. For instance, IFAD actively cofinances investments with the World Bank. The World Bank benefits from IFAD's strengths in poverty targeting and social inclusion, localized approaches and small-scale agriculture, while IFAD benefits from the World Bank's capacity to scale up. IFAD also collaborates with the Finance in Common initiative to support public development banks (PDBs) investing in inclusive climate-smart small-scale agriculture and the Bill & Melinda Gates Foundation to promote agricultural innovation to improve the lives of millions of rural people.

#### Public development banks

Public development banks currently provide nearly two thirds of formal financing for agriculture. However, they face challenges in aligning their investments with sustainability goals and serving small-scale clients. To address these challenges, Finance in Common launched an agricultural public development banks coalition (agri-PDBs) in 2021 to promote sustainable agriculture and align financial flows with the 2030 Agenda and the Paris Agreement. A key component of the coalition is the agri-PDBs Platform for Green and Inclusive Food Systems, facilitated by IFAD, which aims to increase and improve the volume and quality of green finance dedicated to agriculture.

The platform has developed a comprehensive design and mobilized resources for its operationalization, built a network of 132 PDBs from 98 countries, provided peer-to-peer support to PDBs, and organized knowledge dissemination events. Looking ahead, the platform plans to start operational activities in a limited number of countries, strengthen synergies with other coalitions, and continue communication and awareness-raising efforts.

(c) **Enable coordinated country-led development processes.** IFAD partners with governments, development partners and United Nations agencies to support country-led development processes and deliver targeted investment and support. For example, IFAD engages closely in the implementation of the United Nations reform agenda and advances key provisions of the General Assembly's Quadrennial Comprehensive Policy Review. It supports the principles of the United Nations Funding Compact and contributes to the United Nations Sustainable Development Group's cost-sharing mechanism. In addition, IFAD has supported 55 countries in organizing national dialogues and more than 60 governments in developing National Pathways for food systems transformation. IFAD has a long and successful track record in supporting subnational governments and strengthening local rural institutions, including farmers' organizations, women's and youth groups, and Indigenous Communities.

#### Country-led development processes: India

In India, IFAD has actively participated in the design of the United Nations Sustainable Development Cooperation Framework (UNSDCF) and continues to be a strong contributor to the current framework, focusing on priority IV (food security, nutrition, agriculture), priority V (vulnerable and marginal communities), and priority VII (gender, youth). The 2023–2027 UNSDCF, approved by the Government of India, and the outcomes related to food and nutrition, economic growth, environment, climate change and empowerment align with IFAD's country strategic opportunities programme (COSOP) for India and the UNSDCF. Within the United Nations Country Team, IFAD is a member of the nutrition group and the gender group.

(d) **Enhance knowledge generation and innovation.** IFAD's partnership approach proactively seeks out ways to share knowledge and innovation with a wide range of partners, including research institutions, private sector entities, other multilateral development banks, the Rome-based agencies and non-government partners. This helps IFAD bring its expertise in rural development and gain from insights in other areas where it may not have a direct comparative advantage. IFAD's commitment to knowledge-sharing is exemplified by its active engagement in South-South and Triangular Cooperation (SSTC) mechanisms. Through SSTC, IFAD supports and facilitates partnerships that promote the exchange of best practices, expertise and resources among developing countries. These initiatives build capacity, promote innovation and accelerate progress towards the SDGs.

#### **South-South and Triangular Cooperation**

IFAD's South-South and Triangular Cooperation Strategy for 2022–2027 aims to strengthen SSTC as a tool for promoting sustainable food systems transformation and resilient rural livelihoods. Several concrete results have already been achieved, including integrating SSTC into country strategies and operations, expanding partnership-building and resource mobilization efforts, increasing synergies between knowledge management and SSTC, and developing tools to support SSTC mainstreaming.

As an example, the Rome-based agencies (RBAs) have joined forces to support national home-grown school feeding programmes in five pilot countries through SSTC, with IFAD leading the implementation in Sao Tome and Principe. This RBA joint programme aims to enhance sustainable public food procurement, promote nutrient-dense food production, support local producers and improve access to healthy diets among targeted beneficiaries. The RBAs are engaging with stakeholders to secure financial, technical and human resources to support effective collaboration in the Global South and among development partners.

- (e) Strengthen engagement with the private sector and foundations. IFAD has a proven track record of partnering with the private sector through its sovereign and non-sovereign operations. Many, if not all, sovereign operations include investment in the entrepreneurial capabilities of smallholder farmers and/or rural agri-SMEs, and a large share of the portfolio also engages private financial service providers to serve smallholders and small-scale rural entrepreneurs. On the non-sovereign operations side, the Private Sector Financing Programme has enabled IFAD to directly invest and catalyse private sector investments that benefit small-scale producers, agri-SMEs and rural communities.
- (f) **Enhancing IFAD's visibility.** IFAD's partnerships with other organizations amplify its visibility at the national, regional and global levels. For example, advocacy partners, such as Global Citizen, raise awareness on the key role of small-scale farmers to feed the world.

#### Global Citizen partnership

IFAD and Global Citizen began a partnership in 2019 to mobilize political and financial support for SDG 2. The strategic objective of the partnership is to advocate at all levels for increased commitments to sustainable food systems transformation and support for policies and investments in agriculture and rural development, thereby helping generate increased impact for poor and vulnerable rural people in line with the 2030 Agenda. Advocacy activities such as Global Citizen NOW in April 2023 and the Summit for a New Global Financial Pact in Paris in June have garnered public support for priority areas of IFAD's work. Likewise, advocacy efforts by Global Citizen at the United Nations Food Systems Stocktaking Moment, the United Nations General Assembly, the annual Global Citizen Festival concert, the 2023 Move Afrika concert in Rwanda and COP28 are creating visibility and momentum for the ultimate objective of achieving the SDGs and realizing the 2030 Agenda for Sustainable Development.

# III.Partnerships are a key element of IFAD13

8. **For IFAD13, an ambition for partnerships is envisioned that builds on IFAD's current approach (figure 1).** IFAD13 underscores the need to strengthen partnerships among vulnerable communities, development finance institutions, the private sector, civil society organizations and international organizations to collectively drive progress.



Figure 2 **IFAD13 Theory of change: Partnerships** 

- 9. Prosperous and resilient rural livelihoods and food systems are increasingly challenged by increasing fragility, climate change and insufficient or unsustainable private sector investment. In IFAD13, partnerships will be critical to strengthen engagement in each of these areas.
- 10. Building resilience in fragile contexts. IFAD's approach to fragility emphasizes tailored support for rural communities through flexible programming, local ownership, and partnerships with humanitarian actors, other multilateral development banks, regional organizations and civil society organizations. IFAD collaborates with development and humanitarian partners to leverage the humanitarian-development-peace nexus and will operationalize new partnerships, such as with the United Nations Peacebuilding Fund and the Global Network Against Food Crises. IFAD13 will include strengthened strategic partnerships to work in fragile contexts, including through SSTC.
- 11. **Prioritizing climate-resilient agriculture and biodiversity.** IFAD is strengthening its support for climate-resilient agriculture, environmental sustainability and biodiversity. In partnership with a range of diverse actors, including the Green Climate Fund, the Global Environment Facility, the Adaptation Fund, PDBs, civil society and other stakeholders, IFAD is scaling up tailored technical and financial innovations, guided by a new integrated climate, environment and biodiversity strategy. These partnerships enable IFAD to increase financing for biodiversity and support Indigenous Peoples' groups, youth and farmers' organizations in accessing climate finance.

12. **Engaging the private sector as a partner in inclusive food systems transformation.** The private sector can be a key partner in accelerating food systems transformation, reducing hunger and poverty, and facilitating small-scale farmers' access to inputs, technology, information and markets. IFAD will continue to promote public-private-producer partnerships (4Ps) to de-risk the context in collaboration with governments and connect agrifood and service companies to small-scale producers in win-win market relationships that deliver fair value to all parties. Moreover, by updating its private sector strategy and establishing a new funding model for the Private Sector Financing Programme, IFAD is poised to catalyse and mobilize additional private investments and financial services for underserved rural areas. Through proven partnerships and convening power, IFAD attracts private sector investment, provides technical assistance, and facilitates collaboration to address challenges and build inclusive rural markets.

## **IV. Conclusion**

- 13. In the face of intensifying global challenges and interconnected crises, effective partnerships are indispensable for inclusive rural transformation and fostering a more equitable and stable world. As a specialized United Nations agency and IFI, IFAD has a comparative advantage in partnering to reduce fragmentation, bridge the SDG 2 financing gap and accelerate progress towards global food security, ensuring that no one is left behind. Given IFAD's limited capacity, the Fund prioritizes partnerships that bring greatest value for delivering on its mandate and priorities. IFAD's ambition is to deliver more impact by convening, assembling and amplifying strategic partnerships.
- 14. **Convening.** IFAD plays a crucial role in bringing together diverse partners from various sectors to form innovative and impactful partnerships. IFAD's convening facilitates dialogue, fosters collaboration and identifies shared priorities to address food security challenges.
- 15. Going forward, IFAD will convene partnerships to address interconnected challenges such as fragility, climate change and private sector engagement. This will include a greater policy focus in IFAD's knowledge function and specific investments through partnerships in climate-resilient agriculture, biodiversity conservation, rural financial systems, gender equality and local capacity-building. IFAD will optimize partnerships with public, private and non-government agencies to enhance efficiency, empower communities, encourage learning and expand impact.
- 16. **Assembling.** To effectively address rural poverty and food insecurity, IFAD embraces a partnership-driven approach to diversifying funding sources. By forging partnerships with a wide range of stakeholders, including Member States, private investors and philanthropic foundations, IFAD develops innovative financing mechanisms, expands its reach and leverages diverse sources of finance to narrow the financing gap. IFAD's strengthened partnerships for blended finance instruments, combining public and private development finance, play a crucial role in catalysing private sector engagement in sustainable development projects in rural areas.
- 17. Moving forward, IFAD has the ambition to actively engage with non-traditional funding partners, such as foundations and philanthropic organizations, recognizing the value of their contributions and the importance of aligning objectives and ensuring effective utilization of resources. This collaborative approach will expand IFAD's funding base and attract more investments in rural areas.
- 18. **Amplifying.** IFAD's impact goes beyond mobilizing financing; it amplifies the impact of investments through effective resource utilization and strategic partnerships. IFAD's expertise is disseminated through knowledge-sharing platforms, empowering local partners to make informed decisions and align

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- investments with national priorities. IFAD promotes innovation and scales up successful initiatives, spreading best practices and accelerating progress.
- 19. IFAD persistently seeks to amplify rural voices and ensure that rural perspectives are considered in decision-making processes. IFAD engages with international organizations, governments and the private sector to raise awareness about small-scale agriculture, food systems and rural development, attracting investments and mobilizing resources. IFAD recognizes the crucial role of rural civil society organizations (CSOs) in fostering ownership and accountability. IFAD facilitates country-level participation and supports the empowerment of local CSOs to monitor and report on IFAD's results, strengthening accountability and local ownership.
- 20. **IFAD, with its unique mandate and proven track record, stands ready to play a leading role in partnering for global food security.** By leveraging its convening power and expertise, IFAD can mobilize and direct financing to the most vulnerable communities and increase the impact of investments to eradicate hunger and poverty.

# V. Questions for discussion

- 21. With a view to IFAD13 implementation and IFAD's next Strategic Framework, members are invited to provide guidance on IFAD's ambition for partnerships going forward, focusing on the following areas.
- 22. **Convene.** In the face of a fragmented global food and agriculture landscape, how can IFAD leverage its convening power to foster more effective partnerships, reduce duplication, and streamline efforts towards achieving food security and rural development goals?
- 23. **Assemble.** Given the critical role of finance in achieving sustainable food systems transformation, which partnerships should IFAD prioritize in the coming years to maximize innovative financing and the mobilization and allocation of development and climate finance to rural communities?
- 24. **Amplify.** In an era of competing priorities and heightened global challenges, how can IFAD use partnerships to advocate for the critical importance of rural transformation and amplify the voices of rural people, ensuring their needs and aspirations are at the forefront of decision-making processes?