
IFAD Strategic Framework 2025–2031

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Action: The Executive Board is invited to approve the IFAD Strategic Framework 2025–2031.

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Executive summary

1. The IFAD Strategic Framework 2025–2031 provides overarching guidance for the institution to achieve greater development effectiveness and impact in transforming rural communities. It builds on previous strategic frameworks and lessons learned from their implementation, positioning IFAD to better respond to an evolving global environment. The framework aims to leverage IFAD’s position in the global development architecture, sharpen institutional priorities, update strategic objectives, and orient institutional policies and resources to maximize development impact on rural communities.
2. Rural areas are home to over 80 per cent of the world’s extremely poor people, and progress towards achieving food security and nutrition has stalled for three consecutive years at the global level, with up to 757 million people facing hunger in 2023. Fragile contexts result in extreme food insecurity and increased vulnerability for rural people. Debt vulnerabilities in developing countries lead to reduced expenditure on programmes and policies relevant to rural development. Land degradation, water scarcity, severe weather events, biodiversity loss and declining agricultural productivity threaten the economic stability of rural areas, reducing incomes, job opportunities and food security.
3. In this context, **IFAD’s mission – to invest in the prosperity and resilience of rural people living in poverty and their communities** – is more relevant than ever. Investments in food systems, agriculture and rural development are an effective means of addressing poverty and hunger. The relevance of agriculture in poverty reduction is even more significant for Africa, where the world’s poverty is concentrated, and for South Asia, where one third of the world’s extremely poor people live.
4. The Strategic Framework defines three strategic objectives derived from IFAD’s specialized mandate, comparative advantage and evolution in response to changing global needs and rural development challenges.
 - (i) **Strategic objective 1:** Increased economic opportunities in rural areas.
 - (ii) **Strategic objective 2:** Improved food security and nutrition for rural poor people.
 - (iii) **Strategic objective 3:** Strengthened natural resource management and resilience of rural communities.
5. These objectives will be implemented through three key operating principles. First, maximizing the development effectiveness of each intervention by selecting evidence-based solutions and monitoring their implementation in response to local contexts and needs. Second, maintaining a focus on targeting IFAD’s operations to rural people living in poverty and vulnerable populations at risk of falling into poverty, with a continuing priority on the poorest and most excluded, including those who are food-insecure. Third, adapting our investments by meticulously addressing country-specific contexts and challenges, and investing for impact at scale by mobilizing and attracting greater resources to expand the reach of effective interventions tailored to local needs and contexts. Scaling up proven solutions can benefit a larger number of rural communities, deepening our impact and accelerating their path to economic and social sustainability and self-reliance.
6. The delivery of the IFAD Strategic Framework requires effectiveness and efficiency across financial, operational and institutional dimensions. IFAD will continue to propose innovative ways to leverage each replenishment contribution to maximize development impact. These actions aim to optimize capital and liquidity usage while ensuring high levels of concessionality. The institution will remain an assembler of development finance and will mobilize additional resources from both public and private institutions and investors. Finally, IFAD aims to enhance its

organizational capacity by, among other initiatives, strengthening workplace culture and creating an enabling environment, ensuring that the human resources essential to fulfilling its mission are supported and set up for success.

IFAD Strategic Framework 2025–2031

I. Introduction

1. **Purpose.** IFAD’s sixth Strategic Framework covers the period 2025–2031. It provides overarching guidance for IFAD’s work to maximize its development effectiveness and impact in the transformation of the lives of rural people. It builds on the previous strategic frameworks and on a performance record that has made IFAD a leading global institution in rural development.¹ It positions the Fund to better respond to an evolving global environment characterized by changing political conditions and fiscal constraints that affect development cooperation and slow down the transformation of rural areas where poverty is concentrated. IFAD’s specialized mandate and strong performance record provide a platform for investments in rural communities, where global shocks, along with persistent local challenges, increase the severity of poverty.
2. The Strategic Framework has the following purposes:
 - (i) To leverage IFAD’s position in the global development architecture, building on its comparative advantages and intensified efforts to assemble financing from various sources;
 - (ii) To sharpen institutional priorities in a context of global shocks that has negatively affected rural people living in poverty, as well as vulnerable populations at risk of falling into poverty, including those who are food-insecure in developing economies and fragile contexts; and
 - (iii) To update IFAD’s strategic objectives, operating principles and delivery mechanisms.
3. The Strategic Framework reiterates IFAD’s vision, building on its institutional experience and expertise in rural development anchored around food systems. It reinforces the Fund’s added value as a financier of choice and a provider of effective solutions for rural areas. This framework will cover two replenishment cycles – the Thirteenth and Fourteenth Replenishments of IFAD’s Resources (IFAD13 and IFAD14). It will also allow IFAD’s leadership to ensure that IFAD15 is informed by a new strategic framework that supports post-2030 commitments.

II. The case for rural development given current global trends

4. **The global economic growth outlook is below its pre-pandemic pace.**² After several years of successive negative shocks, the global economy appears to be settling at a low growth rate. Escalating conflicts, heightened global geopolitical uncertainty, trade policy shifts and more extreme weather events are all downside risks that could result in weaker growth and worse conditions for the countries and rural communities where IFAD invests.
5. **Many developing countries are facing increasing debt vulnerabilities, reducing expenditure on programmes and policies relevant to rural development.** Debt-to-GDP ratios, which increased sharply during the pandemic, remain elevated, and large budget deficits continue to raise the debt burden in many economies.³ Debt vulnerabilities have an effect on agricultural growth. It is

¹ The Strategic Framework builds on the lessons learned from the implementation of the current Strategic Framework 2016–2025 and the reviews associated with it; the Report of the Consultation on the Thirteenth Replenishment of IFAD’s Resources; and the evaluations conducted by the Independent Office of Evaluation of IFAD.

² World Bank. 2025. [Global Economic Prospects](#).

³ International Monetary Fund. 2024. *World Economic Outlook. Steady but Slow: Resilience amid Divergence*.

estimated that a 1 per cent increase in external debt service is associated with a 0.28 decrease in government spending share in agriculture.⁴

6. **Rural areas are home to over 80 per cent of the world's extremely poor people.**⁵ Nearly half of the world's population still lives in rural areas, although the percentage has been declining over time. By 2050, it is estimated that 3.1 billion people will still live in rural areas, of which 94 per cent will be in the developing countries where IFAD invests. Additionally, extreme poverty levels in low-income countries rose in 2020, reversing decades of progress. Since then, recovery has stagnated, with poverty and food insecurity remaining entrenched in rural areas.
7. **Progress towards ensuring food security has stalled.** As many as 757 million people may have faced hunger in 2023. Moderate or severe food insecurity has remained unchanged for three consecutive years, with an estimated 29.9 per cent of the global population being food-insecure. Food insecurity disproportionately affects people living in rural areas, with 33.3 per cent of adults compared with 26 per cent in urban areas.⁶ The countries most in need are those confronting structural limitations that hinder their ability to increase financing for food security and nutrition.
8. **The percentage of poor people living in fragile contexts and conflict-affected situations has been rising.** According to the Organisation for Economic Co-operation and Development (OECD),⁷ a quarter of the world's population live in 61 fragile contexts, which are home to 72 per cent of those living in extreme poverty, and this is expected to rise to 86 per cent by 2030. Fragile contexts result in extreme food insecurity and increase the vulnerability of rural people who are left unprotected and suffer from violence and insecurity, making IFAD's support to these communities increasingly critical. This is particularly important in certain countries, such as small island developing states, where climate-related shocks and economic vulnerabilities are especially acute.
9. **Investments in agriculture and rural development, which represent IFAD's unique mandate, are among the most effective means of addressing poverty and hunger.**⁸ Estimates have confirmed that: (i) growth in agriculture is two to three times more effective at reducing poverty than an equivalent amount of growth generated outside agriculture; (ii) the advantage of agricultural over non-agricultural growth in reducing poverty is largest for the poorest countries; and (iii) the advantages of growth in agriculture in reducing poverty can also extend to other welfare outcomes such as nutrition and food security. Most importantly, it confirms the relevance of investments in agriculture to accelerate poverty reduction, especially in Africa, where the world's concentration of poverty is increasing, and in South Asia, where approximately one third of the world's extremely poor people live.
10. **Environmental degradation and climate shocks have severe economic implications for rural people.** Land degradation, water scarcity, floods, droughts, extreme heat and declining agricultural productivity threaten the economic stability of rural areas, reducing incomes, job opportunities and food security. IFAD's decade of progress in strengthening small-scale producers' resilience demonstrates that environmental recovery is possible. However, achieving impact at scale requires policy shifts, institutional reforms and financial innovation. IFAD estimates that

⁴ World Bank. 2024. *International Debt Report*.

⁵ IFAD. 2021. *Rural Development Report: Transforming Food Systems for Rural Prosperity*.

⁶ FAO, IFAD, UNICEF, WFP and WHO. 2024. *The State of Food Security and Nutrition in the World 2024 – Financing to end hunger, food insecurity and malnutrition in all its forms*. Rome.

⁷ OECD. 2025. *States of Fragility*.

⁸ Christiaensen, Luc, and Will Martin. 2018. Agriculture, structural transformation and poverty reduction: Eight new insights. *World Development*, vol. 109, pp. 413-416.

small-scale farmers alone require approximately US\$75 billion annually to adapt to these shocks and enhance their livelihoods over the long term.⁹

III. IFAD's comparative advantage in development architecture

11. **IFAD is the financial development partner of choice for transforming rural economies and livelihoods.** IFAD is the only international financial institution (IFI) mandated exclusively to contribute to reducing poverty and food insecurity in rural areas. With almost five decades of experience in development financing, IFAD has developed expertise in investing in rural people – including small-scale producers, women and youth, Indigenous Peoples and other vulnerable groups – to drive inclusive growth and resilience. Recent data show that IFAD converts every dollar of core contributions from Member States into six dollars of investment in rural areas.¹⁰
12. The Fund has broad support from its 180 Member States and fair burden-sharing between them, with an average of 93 countries contributing per replenishment cycle. Operations based on evidence, results and working closely with borrowing countries support the achievement of maximum impact on rural livelihoods. As a result, IFAD has become an important actor shaping international policy deliberations on agriculture, rural development and food security.
13. **Alliances are a critical contributor to IFAD's performance.** IFAD forges strategic alliances with IFIs and bilateral development agencies, the private sector, financial institutions, other United Nations agencies and not-for-profits leading an investment mandate in agrifood systems to achieve rural development. As a trusted broker of partnerships, IFAD's convening power to advance the interests of rural people living in poverty is widely recognized as one of its main assets.
14. **IFAD's investment portfolio responds to country needs.** The focus of IFAD's portfolio adapts to evolving demands from borrowing countries. Increasingly, IFAD lending is directed towards rural finance, rural market development and natural resource management. In the current portfolio, 75 per cent of projects are devoted to value chain development projects with a pronounced emphasis on post-production activities. Based on a growing interest among client countries in targeting private sector development, IFAD has invested in its institutional capacity and financial instruments to leverage and invest with the private sector.
15. **IFAD has become more localized, agile and versatile.** IFAD prioritizes close partnerships with countries, actively seeking ownership by local authorities and alignment with national systems across its portfolio. Country strategies are developed together with governments to ensure complete alignment with their development priorities. It also supports countries in project designs fully implemented by the countries themselves, ensuring local ownership and long-term effective change. With half of its workforce in regional or country offices, IFAD is well-positioned to understand a country's needs, provide tailored implementation support and strengthen knowledge networks that facilitate the dissemination of best practices.
16. **IFAD has a solid results orientation supported by assessment and evaluation tools.** Over the years, the Fund has developed a state-of-the-art framework for accountability and learning. This includes a corporate results framework linked to the targets set for each IFAD replenishment cycle, a quality assurance review in programme design, a rigorous assessment of programme impacts and an independent evaluation function. This has meant a steady

⁹ <https://www.ifad.org/en/w/opinions/the-75-billion-climate-finance-gap-an-imperfect-but-important-figure-for-small-scale-farmers>.

¹⁰ IFAD. 2024. *Report of the Consultation on the Thirteenth Replenishment of IFAD's Resources: Investing in Rural Prosperity and Resilience for a Food-Secure Future*.

improvement in project results and in ensuring projects target the rural people most in need.

17. **IFAD's financial architecture has evolved to enable growth and financial sustainability.** During IFAD11 and IFAD12, the Fund upgraded its financial and risk management capacities and reaffirmed its AA+ credit rating. Flexibility in the financial portfolio allows for optimizing capital and balance sheets, tailored financial products and a strengthened disbursement capacity to deliver impact on the ground. These efforts, alongside the recent updating of its Integrated Borrowing Framework, have enabled IFAD to diversify its borrowing resource base.
18. **IFAD acts as a convener of financial resources to achieve a multiplier effect of investments in rural areas.** IFAD promotes harmonized standards to reduce fragmentation among development actors. This enables the Fund to assemble financing across public and private investors and compensate for different risk-return requirements to facilitate investments beyond traditional commercial risk appetite. IFAD also promotes publicly available disaggregated data on default and recovery patterns across countries, which can support better risk weighting to inform investments in different contexts.
19. **IFAD's strong management and results orientation have been recognized by external assessments.** IFAD was ranked first in the latest Quality of Official Development Assistance assessment conducted by the Center for Global Development on the indicators of prioritization, ownership among domestic partners, transparency and evaluation.¹¹ The Multilateral Organisation Performance Assessment Network (MOPAN) has recognized IFAD's Strategic Framework as well articulated, and its business model as focused on its mandate and capable of responding appropriately and quickly to changes in the external environment.¹²
20. **As a development financial institution and a specialized United Nations fund, IFAD integrates the comparative advantages of both multilateral development banks and global specialized funds.** IFAD serves the pressing needs stemming from fragility, natural disasters and humanitarian crises by investing in well-targeted rural development interventions that effectively enhance the prosperity and resilience of rural communities. Through its institutional platform, IFAD leverages donor contributions and other financing resources, achieving sustainable and inclusive rural development at scale.

¹¹ Center for Global Development. 2021. [Quality of Official Development Assistance](#).

¹² 2024. MOPAN Assessment Report on IFAD.

IV. IFAD Strategic Framework 2025–2031

21. The IFAD Strategic Framework 2025–2031 is a guiding document for the Fund, reinforcing its leadership role as a financial development partner of choice for rural development. The framework provides a pathway for institutional investments, policies and programmes. With an unwavering vision, the framework comprises the following components:
- (i) An institutional **mission** of investing in the prosperity and resilience of rural people. Driving this mission is IFAD's role in catalysing investments to achieve impact at scale through inclusive, community-driven approaches; an emphasis on innovations that boost productivity and economic opportunities in rural areas; and a commitment to partnerships that prioritize the prosperity and resilience of rural people.
 - (ii) Three **strategic objectives** derive from IFAD's specialized mandate, comparative advantage and evolution in response to changing global needs and rural development challenges.
 - **Strategic objective 1:** Increased economic opportunities in rural areas.
 - **Strategic objective 2:** Improved food security and nutrition for rural poor people.
 - **Strategic objective 3:** Strengthened natural resource management and resilience of rural communities.
 - (iii) A set of **operating principles** guide the programming process. These operating principles – development effectiveness, targeting and empowerment, and adaptability and scale for long-term sustainability – form the core of IFAD's operational approach, ensuring that investments effectively translate into lasting impact.
 - (iv) **Delivery mechanisms** are tailored to unique country contexts and reinforce IFAD's position as an impact-focused institution. These are operational tools and approaches designed to translate its strategic objectives and operating principles into concrete results.
 - (v) **Performance, accountability and risk management** are key factors that make IFAD a fit-for-purpose institution.

IFAD's Strategic Framework 2025–2031: Mission, objectives, principles and delivery mechanisms

Mission		
Invest in the prosperity and resilience of rural people		
Strategic objectives		
Increased economic opportunities in rural areas	Improved food security and nutrition for rural poor people	Strengthened natural resource management and resilience of rural communities
Key operating principles		
Maximizing development effectiveness	Targeting and empowerment	Adaptability and scaling investments for sustainability
Delivery mechanisms		
Differentiated country approach	Impact-focused instruments	Institutional policy, people and processes
Performance, accountability and risk management		
Performance reporting	Independent evaluation and self-evaluation	Risk management

A. IFAD's mission: Invest in the prosperity and resilience of rural people

22. **IFAD's mission is to invest in the prosperity and resilience of rural people.** This arises from the Fund's convening power to catalyse investments for rural areas, technical competencies to design innovative solutions to tackle the unique challenges in rural development, and a commitment to leveraging partnerships with various stakeholders, ensuring a lasting impact for inclusive and sustainable rural transformation.

B. Strategic objectives

23. IFAD investments aim to enhance the livelihoods and resilience of rural people by pursuing three mutually reinforcing strategic objectives that drive IFAD's policies, programmes, partnerships and project design.
24. **Strategic objective 1: Increased economic opportunities in rural areas.** IFAD's investments will continue to create economic opportunities for rural communities by enhancing their productive capacities and assets, improving their ability to generate income, increasing access to markets, promoting financial inclusion, building the capacity of local organizations and facilitating partnerships with the private sector. These investments aim to ensure equitable access to opportunities for small-scale farmers and vulnerable rural people, thereby reducing poverty and hunger in rural areas. IFAD aspires to support rural communities to increase their self-reliance for economic and social development.
25. Tailored investments will address the needs of local agrifood systems and the rural communities that work along its value chains. These investments include efforts to strengthen food production for local markets and activities that scale up small and medium-sized enterprises (SMEs) and other value chain actors, while ensuring that marginalized groups and small-scale producers are not left behind, particularly in the post-harvest management and commercialization of agricultural produce. IFAD investments also aim to expand access to rural financial services and business skills training.
26. IFAD will continue investing in rural people, including women, men, youth and vulnerable and disadvantaged groups, so they can equally enjoy economic and social opportunities to raise their living standards. Partnerships with local organizations – including rural farmers, women, youth, Indigenous Peoples and other civil society groups – remain central to IFAD's approach to ensure that economic opportunities are accessible across on-farm and non-farm sectors of rural areas.
27. **Strategic objective 2: Improved food security and nutrition for rural poor people.** IFAD aims to improve food security for rural people by increasing the efficiency and resilience of agrifood systems – from diversified production to post-harvest management – in promoting the production of and access to nutritious food and awareness about healthy diets. Investments will focus on improving the cost-effectiveness and affordability of producing diverse local foods as well as promoting market transparency through labelling, digitalization and training.
28. IFAD will work on promoting the availability, accessibility and utilization of diverse nutritious foods and strengthening partnerships at the national and international levels. At local level, partnerships with farmers' organizations, smallholder farmers and civil society organizations will be critical to drive positive behavioural change and support local productive, nutritious, inclusive, resilient and sustainable food systems. IFAD will also direct investments to enable SMEs and entrepreneurs to unlock inclusive economic opportunities across the food value chain while reducing food loss and waste.
29. **Strategic objective 3: Strengthened natural resource management and resilience of rural communities.** IFAD's investments will integrate climate

adaptation and mitigation measures as co-benefits to enhance rural productivity, market stability and economic resilience. At the same time, it will expand support for rural infrastructure, sustainable agriculture and ecosystem restoration. Examples of sustainable practices include agroforestry and integrated watershed management, which contribute to both productivity and resilience.

30. To address the primary environmental and economic challenges facing rural communities, IFAD's interventions will focus on four priority areas: (i) natural resource degradation, particularly soil depletion and water scarcity, which reduce agricultural productivity and increase farm-level costs; (ii) pollution, affecting land and water quality; (iii) loss of biodiversity and habitat, which threatens ecosystem services; and (iv) climate and disaster-related hazards, which disrupt value chains and heighten financial and food security risks for small-scale producers. These efforts will be guided by an integrated approach that strengthens the water-soil-food-energy nexus that is central to rural economic stability.
31. Changes in water cycles are one of the most significant risks for small-scale food producers and rural economies, leading to more frequent droughts, erratic rainfall and flooding that reduce yields and increase production costs. Without adaptation, economic losses from extreme weather events could severely impact local and national agricultural markets, disrupting food supplies and rural incomes. To enhance resilience and economic sustainability, IFAD will collaborate with rural communities and governments to strengthen soil and water management to stabilize yields and reduce costs, mitigate risks such as soil erosion and flooding and enhance market connectivity, reduce post-harvest losses and secure water availability for agricultural production.
32. IFAD also acknowledges the adverse impacts caused by fragility and conflict in rural areas and will continue to support rural people in fragile contexts. To strengthen its response, IFAD is already enhancing its delivery in these situations¹³ through a number of core actions, such as enhancing fragility diagnostics, acknowledging higher levels of inherent risk and proactively mitigating those risks, simplifying programme designs, including contingency plans to respond to a changing context, and building strategic partnerships with other institutions under common country approaches. Additionally, efforts will focus on strengthening weak capacities and systems within countries to foster sustainable recovery and resilience.

C. Key operating principles – fundamental to IFAD investments

33. IFAD's operating principles guide the programming process, ensuring that investments effectively translate into lasting impact consistent with its strategic objectives.
34. **Maximizing development effectiveness.** IFAD prides itself on the ability to measure and quantify the impact of operations. All investments are results-driven and present tangible outputs that can be tracked and assessed. Confronted with increasing needs, competition for resources and demands for enhanced accountability, IFAD will continue to strengthen its internal frameworks to ensure that it maximizes its value for investments.
35. Programme and project selection is key for an effective and efficient use of resources. The design of investments can benefit significantly if built on evidence and lessons from independent evaluations. Strong feedback processes between lessons learned, programme management and project preparation are also integral to maximizing impact. Strategic planning supports improved project design and informs project identification. Country strategies dictate operations at a national level, responding to agrifood systems and rural development demands. Backed by

¹³ IFAD. 2024. *Updated approach to IFAD engagement in fragile situations*.

evidence and experience on what works in each context, IFAD ensures that its operations aspire to maximum development effectiveness.

36. **Targeting and empowerment of vulnerable rural people living in poverty and facing food insecurity.** The Fund's investments in economic opportunity, food security and nutrition, environmental protection and resilience-building act as a proactive selection tool targeting livelihood improvements for smallholders and the rural poor. IFAD's Poverty Targeting Policy guides programmes and country engagement to allow IFAD to remain focused on its core mission of investing in rural poor people. A key element of this people-centred approach is the capacity-building of grassroots and farmers' organizations to reinforce the economic empowerment of rural people and their organizations. In doing so, IFAD promotes better governance, policies and institutions for agriculture and rural development.
37. IFAD will consolidate its position as a leading development finance institution investing in empowering rural women, men and youth. It will continue investing in strengthening rural women and girl's empowerment by enhancing their access to productive, natural and financial resources, increasing their voice in decision-making at all levels and reducing their labour burden by investing in labour-saving technologies. These efforts contribute to higher agricultural productivity, better nutrition, improved educational outcomes at the community level and greater gender equality.
38. Investing and harnessing the potential of youth is also essential to sustain dynamic rural economic growth. Increasing attention to investing in rural youth and addressing labour opportunities, particularly in countries where strong rural population growth is projected, will also be important to mitigate pressure on land, natural resources, international migration and conflict. By investing in creating economic and business opportunities for rural youth, IFAD will more consistently incorporate the needs and aspirations of rural young people into its operations and pay closer attention to identifying and creating decent work and productive employment across food systems and enterprise options appropriate to them.
39. IFAD supports the needs and priorities of Indigenous Peoples, including through tailored investment programmes, the Indigenous Peoples Assistance Facility and the Indigenous Peoples Forum. IFAD invests in the self-driven development of Indigenous populations, respecting their traditional livelihoods, knowledge and occupations while enhancing their access to markets, productive infrastructures and services.
40. **Adapting and scaling investments for sustainability.** Investing for impact at scale is crucial for IFAD to mobilize and catalyse greater resources, expand the impact of its interventions, and achieve transformative changes that address poverty, food insecurity and resilience-building in rural areas. Scaling up proven innovative solutions allows IFAD to reach a larger number of rural communities, deepening the institution's impact and accelerating progress towards economic and social sustainability. Partnerships with multilateral and public development banks, national and international financial institutions, and public and private sector organizations are critical to unleashing the catalytic power of IFAD's financing.
41. IFAD employs several additional strategies to address the sustainability of its impact. These include participatory approaches that tailor interventions to the local context, fostering high levels of community ownership, building individual and institutional capacities, and putting in place monitoring and evaluation systems with rigorous data collection and analysis to identify what works, what doesn't work and what needs improvement. This allows IFAD to adapt its strategies and interventions so that they deliver lasting results and impact over the long term.

D. Delivery mechanisms – ensuring maximum impact

42. Delivering IFAD's strategic objectives requires effectiveness and efficiency across financial, operational and institutional approaches tailored to diverse country contexts. These operational tools and approaches translate IFAD's strategic objectives and operating principles into tangible results, reinforcing its position as an impact-focused institution.
43. **Differentiated country approach.** The needs and capacities of borrowing countries differ greatly and are likely to become more pronounced and specific over time. IFAD is well recognized by governments and stakeholders for its ability to respond to rural needs with investments that reflect strong local ownership and are based on rigorous evidence. IFAD's localized capacity to support implementation and responsiveness are key assets.
44. In response to specific country demands to increase agricultural productivity and develop value-added and competitive agricultural and service sectors, IFAD offers tailored and evidence-based solutions to more complex rural transformation challenges. Knowledge is central to IFAD's value proposition, informing investments and funding. New technologies alongside innovation and alliances with the business sector to overcome market failures are essential ingredients in this differentiated approach. Financial instruments focused on de-risking investments – such as partial credit guarantees, equity participation and co-lending through intermediate financial institutions – also play a role in fostering rural transformation.
45. Fragile situations tend to be very specific in their root causes and present a combined humanitarian, security and development challenge. Experience shows that integrated solutions across the nexus are successful in preventing and overcoming fragility. IFAD's efforts in fragile contexts only add value if coordinated with other partners along that nexus, including humanitarian international agencies, multilateral development banks, global funds and nongovernmental international organizations. Against this backdrop, IFAD concentrates its efforts on investments that prevent or alleviate the exposure of the most vulnerable rural people to fragility. Interventions that address food security and protect living standards from the hazards of fragility are central to IFAD's work in this context.
46. **Impact-focused instruments.** The Fund's programme of loans and grants is complemented by several tools that enhance its operational agility within a robust results framework. These include multiphase programmatic approaches, results-based lending, regional lending operations, reimbursable technical assistance, joint programming with other development partners and other supplementary-funded initiatives. Experience shows that fewer and larger operations with simple project architecture, designed to be inclusive and responsive to the needs of marginalized communities, also help to foster stronger partnerships and country ownership. For example, introducing multiphase adaptive programming allows for structuring investments in long-term interlinked phases, which offer a flexible and more dynamic framework for agile responses and achieving longer-term targets. Results-based lending, done in partnership with other IFIs, is also in high demand by borrowers as it reduces transaction costs and focuses on development impact.
47. Member States' contributions in the form of core resources remain the bedrock of IFAD's financial architecture. The Fund will step up its efforts in catalysing resources from multiple sources and will continue to propose solutions to leverage every replenishment contribution to maximize development impact. These solutions aim to optimize capital and liquidity usage while ensuring high levels of concessionality. For IFAD to provide greater concessional and non-concessional financing to borrowing countries, the capacity to leverage its capital base is critical. In addition, IFAD will continue to function as an assembler of development finance and mobilize additional resources from other public institutions and private sector investors.

48. By investing alongside the private sector, IFAD will catalyse innovative financial solutions and mobilize domestic and international private sector resources and expertise to support small-scale farmers and rural people. Moving forward, all country strategies will include private sector components, and country programmes will integrate entry points and connections with the private sector. IFAD will work with governments to leverage their public sector investment and to create a positive enabling environment that facilitates rural private sector development and investments. IFAD will enhance its financial instruments toolkit and develop de-risking mechanisms that increase the attractiveness of rural investments for local and international private sector financial entities. The goal is to offer a broader range of financial instruments for risk mitigation – such as guarantees, subordinated debt and risk-sharing – to mobilize greater financial support to rural communities.
49. **Institutional policy, people and processes.** IFAD will continue to improve its organizational capacity to deliver value to Member States, rural communities and development partners. A people-centred approach – integral to delivering IFAD's mission – seeks to strengthen workplace culture and ensure staff well-being and resilience. Learning and development programmes aim to improve capacity through upskilling and reskilling of the current workforce, ultimately leading to career development opportunities. This includes cultivating a culture grounded in inclusion, empowerment, safety and well-being – where every individual feels respected, heard and equipped to thrive.
50. IFAD will implement results-based budgeting and align internal resource allocation with strategic objectives and results. In line with the corporate-level evaluation of decentralization and the findings of the most recent MOPAN report, a higher share of IFAD's administrative budget allocations will prioritize on-ground efficiency and effectiveness. Improved systems and procedures measure operational costs and ensure effective alignment between the allocation of resources and results.
51. Making the best possible use of the latest available technology is central for IFAD to attain performance effectiveness and efficiency. This includes platforms designed to enable effective support and management for operations, and robust financial and facilities management across IFAD's work programme, including results and project procurement. IFAD's technological infrastructure also enables more adaptive management in key functions like programming, monitoring and evaluation.

E. Performance, accountability and risk management

52. **Performance reporting.** Performance assessments at IFAD operate through a complementary set of reporting functions to ensure transparency and accountability. Progress relative to targets in the results management framework will continue to be reported annually to the Executive Board and the Evaluation Committee in the Report on IFAD's Development Effectiveness (RIDE). IFAD will also continue reporting on progress through midterm and end-term replenishment reports. An end-of-term review of the Strategic Framework will be conducted in the final year of the strategy.
53. **Independent evaluation and self-evaluation.** The Independent Office of Evaluation of IFAD (IOE) conducts regular evaluations of projects and country strategies, holding IFAD accountable for impact attainment. IOE produces an annual evaluation report that complements the RIDE. Lessons learned from evaluation reports and recommendations are integrated into IFAD's policies, programmes and investments. At the same time, the newly minted Office of Development Effectiveness ensures that the organization curates relevant knowledge on best practices on the ground. Both offices provide IFAD with a system of checks and balances that meet and exceed the Evaluation Cooperation Group standards for public and private IFIs.

54. **Risk management.** In working to accomplish its mission, IFAD confronts multiple strategic and operational risks. Internally, IFAD has an Enterprise Risk Management Framework that identifies, assesses, monitors, reports and controls all risks to which the Fund is exposed. Embedding risk considerations in strategic and operational decisions is critical to defending IFAD's credit rating and holding IFAD accountable to its mandate. The Office of Enterprise Risk Management and an increasingly robust institutional risk culture ensure that risk management and mitigation play a crucial role in IFAD's operations and business model. These important elements will continue to be implemented as part of each country's programme and project design process and at the corporate level through IFAD's enterprise risk management architecture, which supports the management of key organizational risks.