IFAD10 programme of work

June 2014
Part 1
- The development context
- Priorities under IFAD10
- Consolidation for post-2015
- Mainstreaming critical themes

Part 2
- The replenishment – some key terms
- Factors shaping the replenishment
- The three replenishment scenarios
- Distribution of IFAD10 loans and grants

Part 3
- Measuring results and impact under IFAD10
• Rapid macro-economic growth in many developing countries, rapid decline in poverty rates, MDG1 likely to be achieved globally

• And yet:
  - 840 million people still living in hunger, 1.2 billion people living in extreme poverty - at least 70% rural and most dependent on agriculture
  - In substantial number of countries MDG1 will *not* be achieved, and in some – particularly fragile/conflict-prone - poverty *numbers* still increasing

• Post-2015 development agenda will set new, and more ambitious, goals for sustainable development
Priorities under IFAD10

- The development context, and IFAD’s mandate, provide the basis for IFAD’s Strategic Vision 2016-2025
- Programme of work will contribute to achieving the Strategic Vision
- Thematic areas of work not expected to change substantially from those of Strategic Framework 2011-2015:
  - natural resource management
  - climate change adaptation / mitigation
  - agricultural technologies and production services
  - financial services
  - agricultural value chains
  - rural enterprise development and non-farm employment
  - technical and vocational skills development
  - support to rural producers’ organizations
• Smallholder agriculture and rural transformation must necessarily be part of post-2015 development agenda

• Four entry points for IFAD to contribute:
  a) Investing in smallholder agriculture for global food security and nutrition
  b) Promoting empowerment for rural livelihoods
  c) Promoting the resilience of poor rural women and men
  d) Leveraging the rural-urban nexus for development
• Critical cross-cutting themes will be mainstreamed - given new and strengthened emphasis under IFAD10:
  - Innovation, learning and scaling up
  - Adaptation to climate change
  - Improved nutritional impact
  - Public-private-producer partnerships
  - Gender equality and women’s empowerment
  - Country-level policy engagement
  - Global policy dialogue
The replenishment – some key terms

• The **programme of loans and grants** (PoLG): the total of IFAD resources committed to all projects approved during IFAD10
  - PoLG financed from two sources: the replenishment and IFAD’s own resources/future net flows

• The **programme of work** (PoW): the total value of all projects approved during IFAD10
  - PoW made up of the PoLG, plus all expected cofinancing for those projects
  - Based on assumed ratio of IFAD funding to cofinancing of 1 to 1.2
Factors shaping the replenishment

- **Total demand for IFAD loans and grants:** approximately US$4.9 billion. Cost of achieving climate resilience increases overall requirements to **US$5.5 billion**

- **IFAD’s capacity to manage them:** under IFAD8, IFAD expanded its PoLG to US$3 billion, while improving operational performance, development impact and administrative efficiency. **Capacity is well established**

- **Availability of resources:** financial austerity in many Member States suggests a challenge to raise the funds required
The three replenishment scenarios

- Starting point is three levels of PoLG: US$3.0 billion, US$3.2 billion and US$2.8 billion
- These determine requirements for the replenishments, at US$1.44 billion, US$1.53 billion and US$1.34 billion

<table>
<thead>
<tr>
<th>Scenario</th>
<th>PoLG</th>
<th>PoW</th>
<th>Source of resources for PoLG</th>
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<tbody>
<tr>
<td></td>
<td>US$ billion</td>
<td>Replenishment</td>
<td>IFAD own resources</td>
</tr>
<tr>
<td>Medium case</td>
<td>3.0</td>
<td>6.6</td>
<td>1.44</td>
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<tr>
<td>High case</td>
<td>3.2</td>
<td>7.0</td>
<td>1.53</td>
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<tr>
<td>Low case</td>
<td>2.8</td>
<td>6.2</td>
<td>1.34</td>
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- These figures will be discussed in more detail in the IFAD10 Financial Framework presentation
Distribution of IFAD10 loans and grants

Distribution of resources determined by PBAS – review of specific elements of PBAS formula by EB working group is suggested
Measuring results and impact under IFAD10

- IFAD will measure and report on results and impact
- Provisional targets for delivery and development impact defined, based on IFAD9 approach and results to date:

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Millions of people</th>
</tr>
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<tbody>
<tr>
<td>IFAD10 scenario</td>
<td>Reached</td>
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<tr>
<td>High case</td>
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<tr>
<td>Medium case</td>
<td>90</td>
</tr>
<tr>
<td>Low case</td>
<td>80</td>
</tr>
</tbody>
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- These, plus outcome targets, to be further developed in *IFAD10 Results Measurement Framework* (Oct. session)