IFAD13 Business Model and Financial Framework: Overview
Second Session of the Consultation on the Thirteenth Replenishment
19 June 2023
Why IFAD?

World’s fund for transforming agriculture, rural economies and food systems - Universal, but with 100% of core resources targeted at poorest countries

Pioneer of locally led development – empowering rural people to take charge of their own development

Assembler of Finance – leveraging AA+ rating and cofinancing to turn every $1 of core into $6 dollars on the ground

Partner of choice – forging alliances and providing leadership at global, regional and country level

Driven by results and impact – most effective and efficient multilateral development organization globally (2021)
Compounding crisis

- Rising poverty and hunger, concentrated in fragile and conflict affected situations, sub-Saharan Africa and rural areas
- Increasing debt burdens and fiscal pressure
- Worsening climate change and biodiversity loss

Food system transformation can unlock SDGs

- Investments in IFAD13 can help reverse global trends on hunger and poverty

Why now?

Note: Projected values for 2021 illustrated by dotted lines. Shaded areas show lower and upper bounds of estimated range.
Scaling up inclusive and resilient food systems

Sustainable, inclusive and resilient food systems transformation

Amplifying Impact

- **Enhancing remunerative rural livelihoods**
  - Stepping up engagement with the private sector for creating economic opportunities and jobs

- **Building resilience of rural livelihoods**
  - Building resilience of rural livelihoods in the face of climate change and other shocks and crises in particular in fragile contexts

Delivering Impact

- **Aligning programme delivery**
  - Implementing an integrated PoW
  - Enhancing adaptive management
  - Increasing sustainability and scalability

- **Ensuring inclusion**

- **Assembling and leveraging development finance**
  - Expanding core contributions
  - Leveraging to expand the PoW
  - Allocating to those most in need
  - Increasing private sector and climate finance

- **Strengthening institutional effectiveness**
  - Strategic budgeting reforms
  - Enhancing workplace culture
Delivering at scale to respond to global needs

IFAD13 will increase climate-smart local production through...

- availability and quality of inputs, technology and capacity building to enhance agricultural productivity
- access to inclusive rural financial services for agricultural value chain development
- last-mile rural infrastructure to improve production and increase market access
- engagement of producers’ organizations in inclusive value chains
Amplifying Impact
Enhancing remunerative rural livelihoods, building resilience and ensuring inclusion
Promote private sector investments at scale

I. Enabling
De-risking investments

II. Catalyzing
PoLG and PSFP instruments

III. Assembling
PSFP instruments and convening power
Delivering climate finance to the poorest

- Raise climate finance target from 40% to 45%
- Mobilize ACCs – part of core funding
- Innovation and policy support
- Programmatic approach to climate operations
Building resilience and reducing fragility

Dimensions of fragility
- Social
- Environmental & climate
- Political & institutional

IFAD adds value in fragile contexts
- Sustainable natural resource management
- Local institutions and communities
- IFAD adds value in fragile contexts
- Food and nutrition security
- Boosting women’s role
Deepen focus on gender, youth, social inclusion and nutrition

Targeting for nutrition and promoting diversified local food production, and consumption

Intensifying efforts on gender to ensure equal access to assets, services, employment and markets

Strengthen youth employment and youth participation in decision making

People-centred approach focused on Indigenous Peoples, persons with disabilities and other marginalized groups

Working with community-based organizations to promote inclusive development
Delivering Impact
Aligning Programme Delivery, strengthening institutional effectiveness, and assembling and leveraging development finance
Country programmes for impact

Integrated Investments + Policy & Knowledge × Adaptive Management = Amplified Impact

- BRAM
- PBAS
- Other Cofinancing
- Supp Resources
- Climate ACCs & ASAP+
- Partnerships & SSTC
- Knowledge & Innovation
- Policy Engagement
- Flexibility
- Proactivity
- Proximity

Goal: increased income
SO1: increased production
SO2: increased market access
SO3: greater resilience
SO4: improved nutrition

Sustainability and scalability of investments
Reformed institution ready to scale up

IFAD will continue to strengthen institutional effectiveness

- IFAD13 consolidates and builds on recent reforms
- Focus on operational delivery
- Optimizing resource use and streamline budgeting
- Enhancing capacity and workplace culture

IFAD's workforce is growing and increasingly decentralized

*Includes all categories of Fixed-Term Staff, including fixed-term, continuing, and indefinite appointments; JPOs, staff on loan to IFAD and co-terminus contracts. (ILC staff are excluded). Data recorded as at 1 January of each year.
### IFAD13 Scenarios

**Members Contributions**

<table>
<thead>
<tr>
<th>IFAD 12</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 257</td>
<td>1 380</td>
<td>1 655</td>
<td>1 790</td>
<td>1 930</td>
</tr>
</tbody>
</table>

**Additional Climate Contributions**

<table>
<thead>
<tr>
<th>IFAD 12</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>150</td>
<td>200</td>
<td>250</td>
<td>250</td>
<td></td>
</tr>
</tbody>
</table>

**Concessional Partner Loans**

<table>
<thead>
<tr>
<th>IFAD 12</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>93</td>
<td>150</td>
<td>200</td>
<td>250</td>
<td>300</td>
</tr>
</tbody>
</table>

**Total PoLG**

<table>
<thead>
<tr>
<th>IFAD 12</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 350</td>
<td>3 240</td>
<td>3 640</td>
<td>3 850</td>
<td>4 060</td>
</tr>
</tbody>
</table>

**Grant element of overall commitment capacity (%)**

<table>
<thead>
<tr>
<th>IFAD 12</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>44</td>
<td>47</td>
<td>47</td>
<td>47</td>
<td>48</td>
</tr>
</tbody>
</table>

**Total concessional resources**

<table>
<thead>
<tr>
<th>IFAD 12</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 880</td>
<td>1 930</td>
<td>2 185</td>
<td>2 315</td>
<td>2 450</td>
</tr>
</tbody>
</table>

**Of which Sustainable Grant capacity**

<table>
<thead>
<tr>
<th>IFAD 12</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>500</td>
<td>550</td>
<td>655</td>
<td>700</td>
<td>850</td>
</tr>
</tbody>
</table>

**Grant element of concessional resources (%)**

<table>
<thead>
<tr>
<th>IFAD 12</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>67%</td>
<td>68%</td>
<td>69%</td>
<td>69%</td>
<td></td>
</tr>
</tbody>
</table>

**Total non-concessional resources**

<table>
<thead>
<tr>
<th>IFAD 12</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 470</td>
<td>1 310</td>
<td>1 455</td>
<td>1 535</td>
<td>1 610</td>
</tr>
</tbody>
</table>

**Of which Private Sector Financing Programme**

<table>
<thead>
<tr>
<th>IFAD 12</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>90</td>
<td>90</td>
<td>90</td>
<td>90</td>
<td></td>
</tr>
</tbody>
</table>

**Total PoW**

<table>
<thead>
<tr>
<th>IFAD 12</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 180</td>
<td>8 535</td>
<td>9 540</td>
<td>10 080</td>
<td>10 625</td>
</tr>
</tbody>
</table>

**Goal: Increased income**

<table>
<thead>
<tr>
<th>IFAD 12</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>86 - 93</td>
<td>87 - 93</td>
<td>98 - 104</td>
<td>103 - 110</td>
<td>109 - 116</td>
</tr>
</tbody>
</table>

**LICs**

<table>
<thead>
<tr>
<th>IFAD 12</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>48-51</td>
<td>54-57</td>
<td>57-60</td>
<td>60-64</td>
<td></td>
</tr>
</tbody>
</table>

**LMICs**

<table>
<thead>
<tr>
<th>IFAD 12</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>37-39</td>
<td>41-44</td>
<td>44-46</td>
<td>46-49</td>
<td></td>
</tr>
</tbody>
</table>

**UMICs**

<table>
<thead>
<tr>
<th>IFAD 12</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>
IFAD13: Investing now in a resilient future

1. IFAD13: Framework to respond to global crisis

2. Demand for financing food security is growing

3. Increased core funding enables IFAD to deliver greater impact

4. IFAD is set up to scale up
Thank you