



IFAD13

BUILDING RURAL RESILIENCE FOR A FOOD-SECURE FUTURE

We are on the brink of a global emergency. Hunger and poverty are at unacceptable levels and the impacts of climate change are increasingly catastrophic. Forced migration, instability and conflict are growing, especially in vulnerable areas.

The time to act and invest in solutions is now.



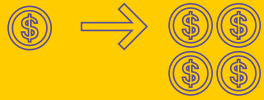
WHY RURAL PEOPLE?

Nearly half of the global population lives in the rural areas of developing countries. These areas, where hunger and poverty are more entrenched, are home to over 80 per cent of people living in extreme poverty. Rural people and small-scale producers are more affected by climate change and conflict and more likely to be excluded from access to finance. They are more vulnerable to shocks, instability and forced migration. This is especially true for marginalized groups, such as women, youth and Indigenous Peoples.

These rural people and small-scale producers depend on small farms for their incomes and sustenance. They are also critical to local food security and stability and contribute significantly to feeding the world. They produce up to 70 per cent of food consumed in low- and middle-income countries.

For these rural people, dramatically scaling up inclusive, sustainable investments in agriculture would be transformative and would help to get the United Nations Sustainable Development Goals (SDGs) back on track. Investing in agriculture is two to three times more effective at reducing poverty than other sectors. With such investments, production increases, diversifies and adapts to a changing climate. More and better food becomes available, and the incomes of all those along the value chain improve. With food security and options for livelihoods, pressure to migrate and instability decrease, while climate resilience goes up. This is why rural resilience is a game-changer for hunger, poverty and climate.

EVERY US\$1
INVESTED IN
RESILIENCE
TODAY CAN SAVE
UP TO **US\$10** OF
EMERGENCY AID
IN THE FUTURE



**SINCE 1977,
IFAD HAS
CONVERTED
EVERY
US\$1 INTO
US\$6 OF
INVESTMENT
IN RURAL
AREAS**

WHY NOW?

Despite this potential, underinvestment in rural people has persisted for decades. Official development assistance to agriculture is stagnant at a level far below what is needed and climate finance directed to small-scale agriculture is barely at 2 per cent of the total. Consequences are becoming dire.

Over 780 million people in the world suffered from hunger in 2022. In Africa, about 20 per cent of the population faces hunger. Numbers like this are made worse by the slow recovery from the COVID-19 pandemic, persistent inequalities and increasingly severe impacts from climate change. With current trends, it is likely that 575 million people will still be living in extreme poverty in 2030 and 670 million will still be facing hunger.

Projections on climate are equally alarming. The global temperature rise is predicted to reach the critical 1.5-degree threshold before 2030, which will have severe and irreversible impacts on food production and access.

To address this, US\$300-400 billion is needed annually until 2030 to transform food systems. Public debt, poor economic growth and increasing fiscal pressures make these numbers hard to realize. Financing emergency response in the face of recurring crises must be balanced with investments in medium- and longer-term solutions.

WHY IFAD?

IFAD was established in the aftermath of the global food and energy crises of the 1970s to address the root causes of poverty and food insecurity. IFAD invests in rural people, improving food production, food systems and nutritional levels in the poorest communities. This builds resilience, protects the planet, and creates livelihoods for a new and better tomorrow.

One hundred per cent of IFAD financing is invested in rural food systems and the most vulnerable rural people. IFAD is the only United Nations (UN) specialized agency and international financial institution (IFI) exclusively dedicated to transforming agriculture and rural economies. It is the world's second largest multilateral investor in food and agriculture, with over 50 per cent of its ongoing portfolio in Africa. It reaches tens of millions of rural people through a programme of work of over US\$20 billion, bringing together IFAD financing with cofinancing.

IFAD is an efficient, effective user of resources. Its AA+ credit rating means that it can implement innovative funding models, bring in the private sector and scale up otherwise untapped finance. It is one of the few UN agencies that operate on capital markets. In 2021, the Centre for Global Development's Quality of Official Development Assistance assessment ranked IFAD as the most effective and efficient multilateral development organization globally. Its impact and results are widely recognized, including recently at the Summit on a New Global Financing Pact in Paris and the G7 Hiroshima Action Statement.

At the heart of IFAD's success is its people-centred approach. IFAD invests in rural people, partnering with small-scale producers, women, youth, Indigenous Peoples and other marginalized communities. It builds strong trust with communities, governments, and international partners – including working closely with other multilateral development banks (MDBs) and UN agencies. The trust that developing Member States place in IFAD is evident: almost 90 List C countries contributed voluntarily to its last replenishment.

CHANGING 100 MILLION LIVES

Without significant change, the global outlook on poverty, hunger and climate is grim. Solutions exist, but they require scaled-up financing. For its 13th replenishment, IFAD is calling on its Member States to take this step.

IFAD aims to deliver a programme of work of at least US\$10 billion, generating a significant impact for over 100 million poor rural people. This is an ambitious response to calls for MDBs and IFIs to take action and provide more concessional resources to the poorest and most debt-distressed. IFAD will ensure that Members' contributions reach the poorest, **with 45 per cent in total concessional financing to low-income countries.**

This level of ambition means IFAD doing more of what it does best, while strengthening work in **three priority areas:** fragility, climate change and biodiversity, and leveraging the private sector to deliver on the SDGs.

IFAD13 PRIORITIES

BUILDING RESILIENCE IN FRAGILE CONTEXTS

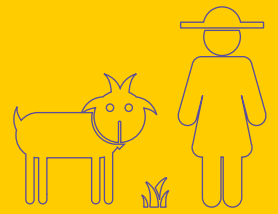
We are in an increasingly fragile world, and must find ways to counteract instability, conflict and displacement with a focus on local resilience. In IFAD13, IFAD will increase the allocation of core resources dedicated to fragile situations to **at least 30 per cent**. IFAD13 will also include strengthened strategic partnerships, more flexible programming, increased operational support (including digital tools), and more in-depth assessments to understand fragility's dimensions.

PRIORITIZING CLIMATE-RESILIENT AGRICULTURE AND BIODIVERSITY

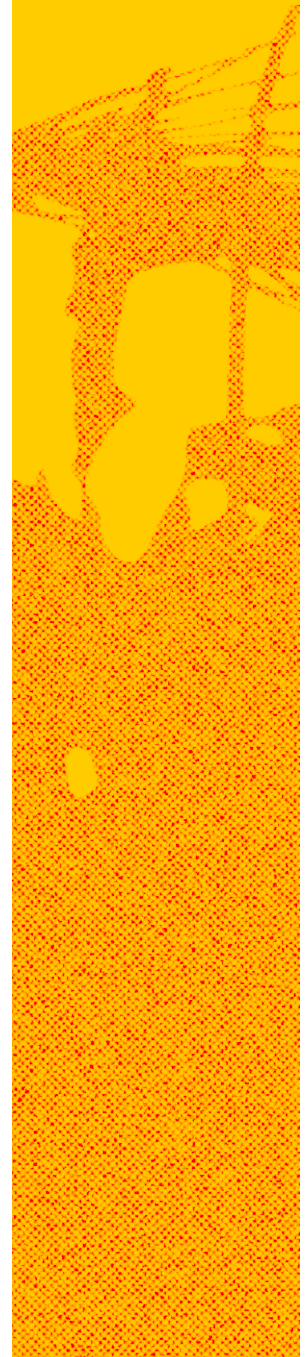
Solutions to hunger and poverty must address a rapidly changing climate and biodiversity loss. IFAD13 will intensify support to climate-resilient agriculture, environmental sustainability and biodiversity management. IFAD will increase its target for climate activities in IFAD-financed programmes to **at least 45 per cent** and launch Additional Climate Contributions (ACCs) to boost predictability and integration of climate finance within programmes. ACCs will increase highly concessional climate finance for low-income countries.

ENGAGING THE PRIVATE SECTOR TO EMPOWER SMALL-SCALE FARMERS

The private sector is an integral part of closing the SDG financing gap. For small-scale farmers, private sector investment is a lifeline, providing access to capital, employment opportunities, technology and markets. In IFAD13, IFAD will update its private sector strategy and establish a **new funding model** for the Private Sector Financing Programme. IFAD will catalyse and mobilize additional private investments and financial services to underserved rural areas and foster more public-private partnerships with agrifood businesses and entrepreneurs.



IFAD IS THE
**GLOBAL
FUND FOR**
INVESTING IN
RURAL FOOD
SYSTEMS



IFAD13

A NEW DAY

IFAD13 is an opportunity for IFAD to lead in ensuring that the international financial system delivers rural resilience and a food-secure future.


Leveraging this strong platform, and building on the ongoing global programme of work, **a strong IFAD13 replenishment will translate into over 100 million rural people with better incomes and jobs.**

It means more food produced, processed and reaching markets locally, in ways that protect the planet. It means more resilience to environmental, economic and social shocks. Investing in rural people today, through effective channels like IFAD, is the path to a new and better tomorrow for years to come.

Find out more here.



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