



Investing in rural people

IFAD14

Financial framework and scenarios

7-8 May, Rome, Italy



IFAD14

Assumptions underlying IFAD14 scenarios

IFAD's continued action towards vulnerable communities

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Targeted focus – Resources going to those most in need

Relevance



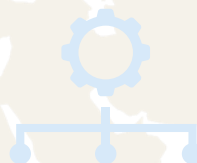
100% Core resources to LICs and LMICs

Debt vulnerabilities



Grants share greater than **20%** of total concessional resources

Allocation



PBAS remains **≥70%** of PoLG

Resources



60% of POLG is concessional

From PoLG to PoW

IFAD as an agile and catalytic platform

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Efficient use of donors' resources

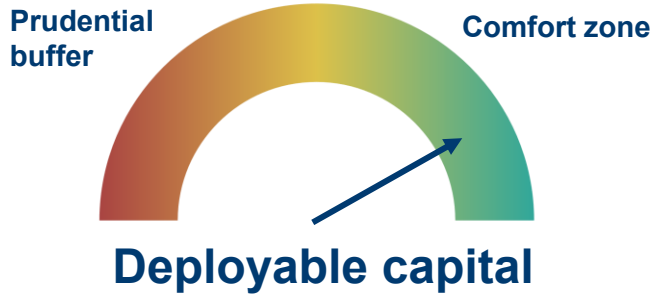
➤ PoLG – up to **x2** contributions

➤ PoW – up to **x6** contributions

Building on Member States contributions

INDICATIVE SCENARIOS (in US\$, millions)	IFAD13	A	B	C
New core contributions	1 382	1 400	1 500	1 625
Core additional climate contributions (ACCs)	54	75	100	125
Concessional partners loans (CPLs)	226	200	200	250
Total new replenishment financing	1 662	1 675	1 800	2 000
Programme of loans and grants (PoLG)	3 405	3 725	3 895	4 115
Programme of work (PoLG+ Cofinancing)	9 363	10 960	11 460	12 120

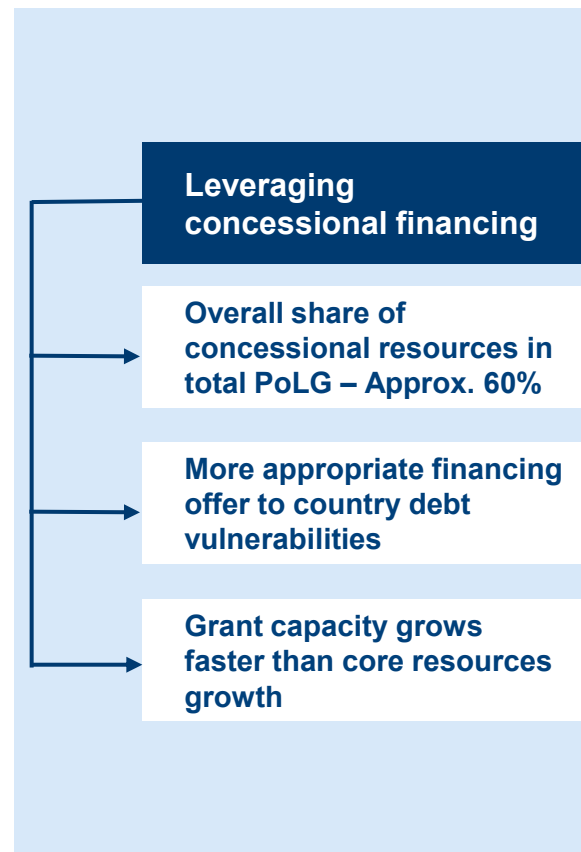
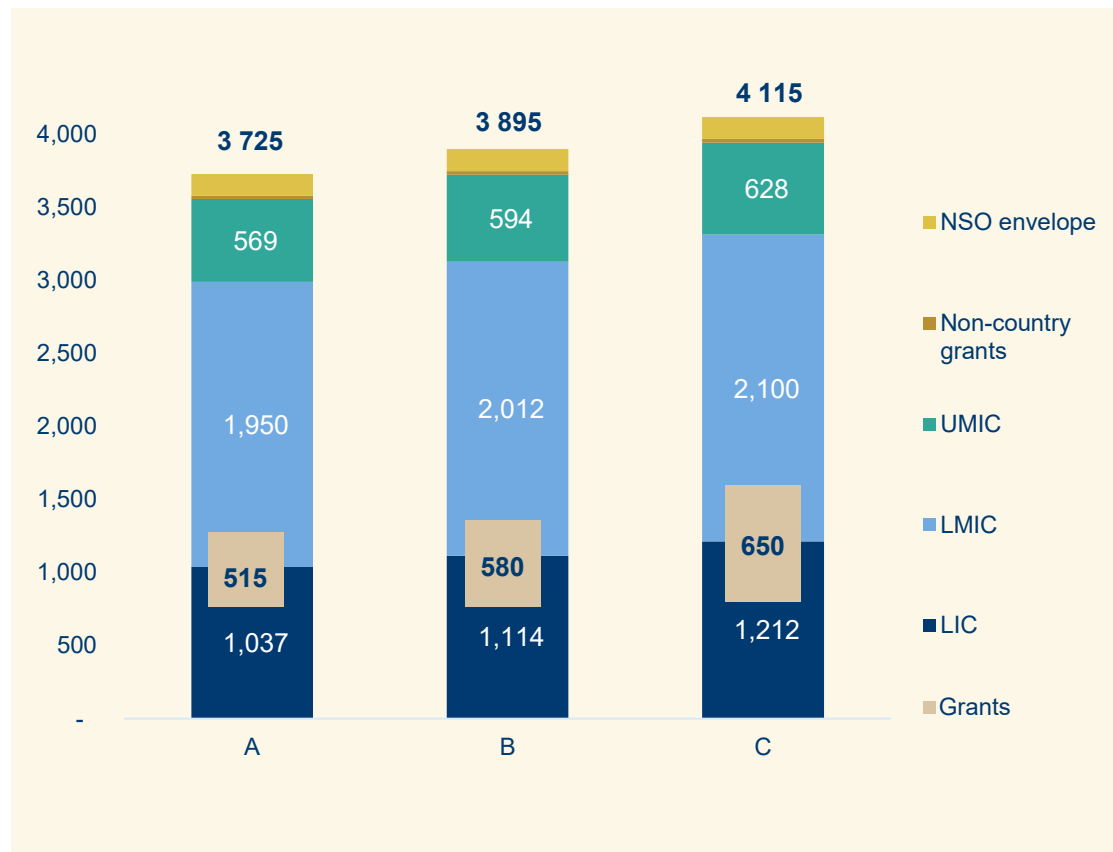
A more efficient use of IFAD's strong capitalization



Deployable capital ratio projections



Replenishment ambition translates directly into concessionality and grant capacity



What levers were considered for the scenarios?



Replenishment

Scn C - Full deployment of IFAD's capacity

- Larger grant volumes for high-debt-distress countries
- Higher concessionality
- Increased envelope to Private Sector and catalytic capital (compared to IFAD13)
- Long-term financial sustainability including support to capital for future needs

Volumes

Optimization of the financial engine

- Optimized capital to support PoLG: DC as the primary financial metric
- Capacity to accelerate disbursements
- Increased flexibility to access liquidity through borrowing
- Incremental volumes for private sector

Mix-Financing

Expected concessionality still robust (59-63%)

- More tailored access to grants
- Adjusted loan features (maturity and service charges)
- Enhanced targeting of resilience and fragility

Portfolio- de risking

Broader and deeper outreach to most vulnerable countries

- Applicability for Public and Private sector transactions
- Capital usage to increase the exposure to riskier countries
- Expanded Program of Work (PoW) through partnerships

Targeted financial tools to support IFAD14 resource mobilization

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Institutional innovation

Credit enhancement

Portfolio guarantee & de-risking mechanism

Public Issuance

Who will we work with?

- ▶ Member States & PDBs

- ▶ Capital Markets mobilization

What is the benefit to IFAD?

- ▶ MS/partner portfolio guarantee
- ▶ De-risk exposure in fragile contexts

- ▶ Broader liquidity access
- ▶ Investor visibility & credibility

What do we want to achieve?

- ▶ Financial flexibility
- ▶ Focus on fragility
- ▶ Higher development impact
- ▶ Scale private sector operations

- ▶ Complementary funding option
- ▶ Diversified, lower-risk funding

Targeted financial tools to support IFAD14 resource mobilization

Credit enhancement

Partial Credit Guarantees (PCGs)

Local Currency Linked Lending (LCLL)

Who will we work with?

- ▶ Member States & PDBs
- ▶ Private Sector
- ▶ IFI/MDB peers

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- ▶ IFI/MDB peers
- ▶ Capital Markets mobilization

What is the benefit to IFAD?

- ▶ Leverage public funds for private capital
- ▶ Scale rural development finance

- ▶ Reduce foreign currency risks for MSMEs in LICs/LMICs

What do we want to achieve?

- ▶ Expanding IFAD's financial toolkit
- ▶ Higher impact & PoW
- ▶ Scale private sector operations



Through partnerships

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