



8th Replenishment

# IFAD's programme priorities for the Eighth Replenishment period based on US\$3.3 billion in loan and grant operations

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# IFAD's 2010-2012 program of loans and grants: US\$3.3 billion in high case scenario

- **For the 7<sup>th</sup> Replenishment period 2007-2009, IFAD loans and grants totaled about US\$2 billion**
- **Step increase to US\$3.3 billion because:**
  - Rapidly rising food prices underlines need to invest in agriculture and rural development
  - Environmental issues and climate change both have some rural and agriculture causes, and rural people and farmers are victims
  - Agriculture and rural development one of most effective tools for poverty and hunger reduction
  - Estimates for resource requirements for agriculture are huge: UN Secretary General estimates US\$20 billion p.a.

# Can IFAD expand its operations while delivering quality?

- **Results from IFAD operations demonstrate improvement of outcomes**
- **IFAD program increased at 10% p.a. in 7<sup>th</sup> Replenishment period 2007-2009. In the same period IFAD's efficiency of program delivery is improving, with its "efficiency ratio" moving from 16.8% in 2007 to 16.3% in 2008 and projected 15.8% in 2009.**
- **IFAD to maintain about 30-35 country projects p.a. and 70 global and regional grants, but in larger projects and programs as IFAD scales up**
  - Larger projects are less management-intensive for same amount loaned and granted than larger number of smaller grants and loans
- **Larger program doable because country strategy, project design and supervision costs shared with partner institutions**

# Regional and country variation in IFAD's future program; one size does not fit all

- **There will be greater differentiation in IFAD's approach between different regions and different country situations**
  - April 2008 Replenishment session presented **regional plans** for a 33% expansion in IFAD's program of work (2007-2009 to 2010-2012)
- **Another typology: differentiating by income and institutional development**
  - **Low income countries**: basic agricultural and rural services; increasing public-private partnerships; farmer-led agriculture; private sector marketing and input supply; adaptation to climate change and rural environment; land issues; bringing women and vulnerable rural people into rural development; remittances
  - **Fragile states**: more institution-building; basic agriculture and rural services
  - **Middle income countries**: focus on the poorest rural people in the poorest regions; knowledge development and knowledge-sharing

# IFAD's Strategic Framework: a flavour of what IFAD will do in its loans and grants



**Improve basic foods and staples**



**Include cash crops: exports are growing**



**Integrate livestock to match rising demand**

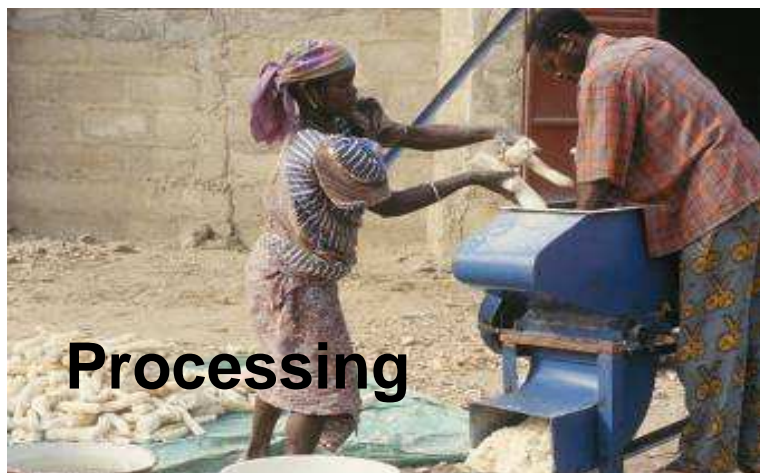


**Develop private agro-processing & marketing**

Enabling poor rural people to overcome poverty



# Support markets for smallholders



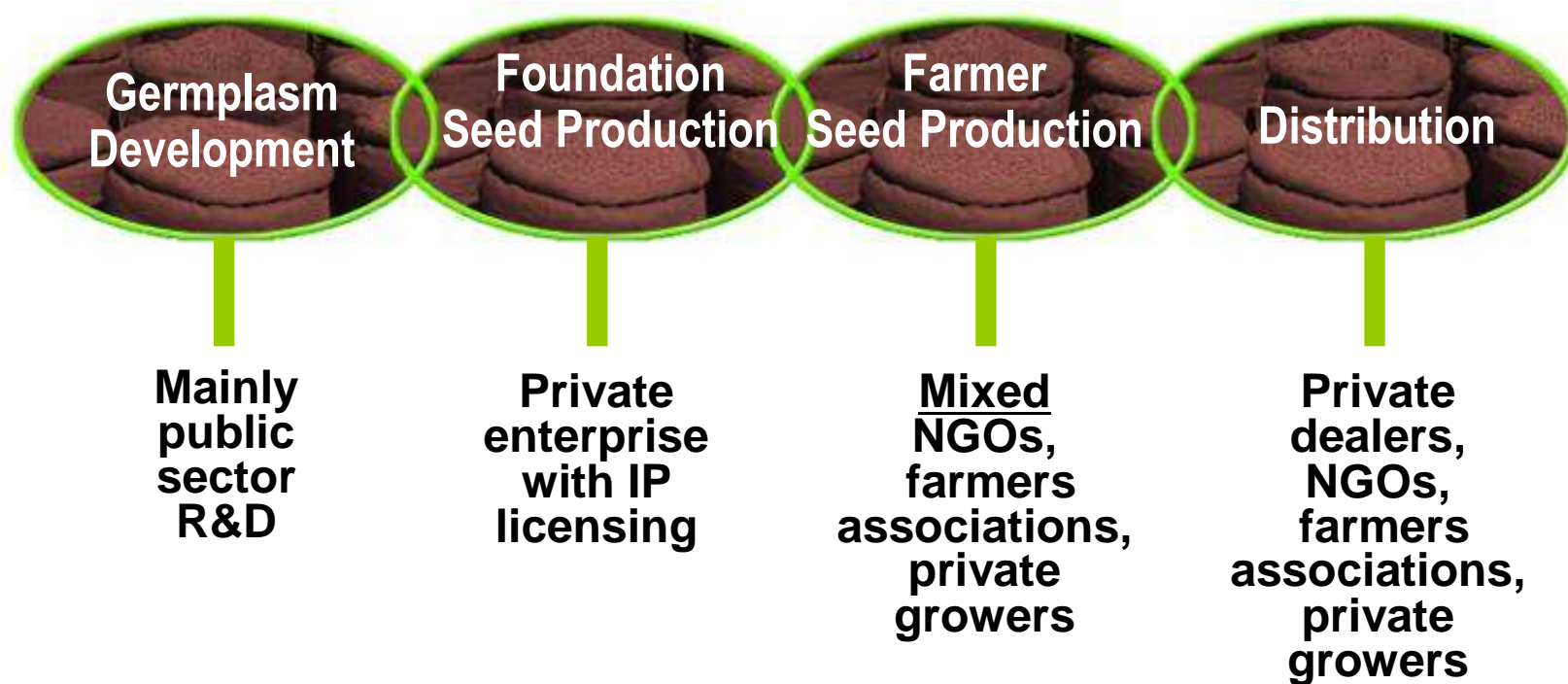
# Invest in smallholder input retailer systems to handle farm inputs through:

- Business development assistance
- Farmer groups and coops
- Credit
- Technical advisory services
- Contract service providers



# Public-private partnerships important in input supply

## Example: Smallholder seed sector





# Haiti agriculture services



# Azerbaijan agriculture development



# Agricultural extension (farmer training) in Lesotho



# Uganda microcredit project (goes to women's groups)



# Women's training in the Gaza Strip



# Water resource development



- Rainfed agriculture dominates (95% of land) in Africa; agriculture technology focus needs to be on rainfed
- But Africa has potential to irrigate 20% of its arable land
- Only 3.6% is irrigated (mostly Sudan and Madagascar), compared to 26% in developing countries overall
- Small-scale irrigation systems are cost-effective in Africa
- IFAD invests in African irrigation and rural water supply

# Irrigation in the Philippines



# Global and regional programs

- Grants focused on **global public goods** in agriculture and rural development:
- International Agriculture Research: **CGIAR**
- Global water partnership, with **UN water** and **Gates Foundation**
- Rural environment: **Global Environment Fund**
- Land issues: **International Land Coalition**
- Desertification and land degradation: **Global Mechanism**
- Cross-border and international agriculture policy issues: **IFPRI partnership, Global Platform for Rural Development, IDRC partnership, FAO**
- Rural finance: **CGAP**
- Private sector development: **Africa Enterprise Challenge Fund, Agence Française de Développement, International Finance Corporation**
- Gender issues and Inter-Agency Network on Women and Gender Equality: **UNIFEM, Committee on the Elimination of Discrimination against Women, FAO gender team**
- Agriculture investment project development: **FAO Investment Center**
- Weather risk insurance and school feeding: **WFP**
- Social issues: rural health and education: **Belgian Survival Fund**



# Assistance to agriculture is now increasing: IFAD's response in the 8<sup>th</sup> replenishment period

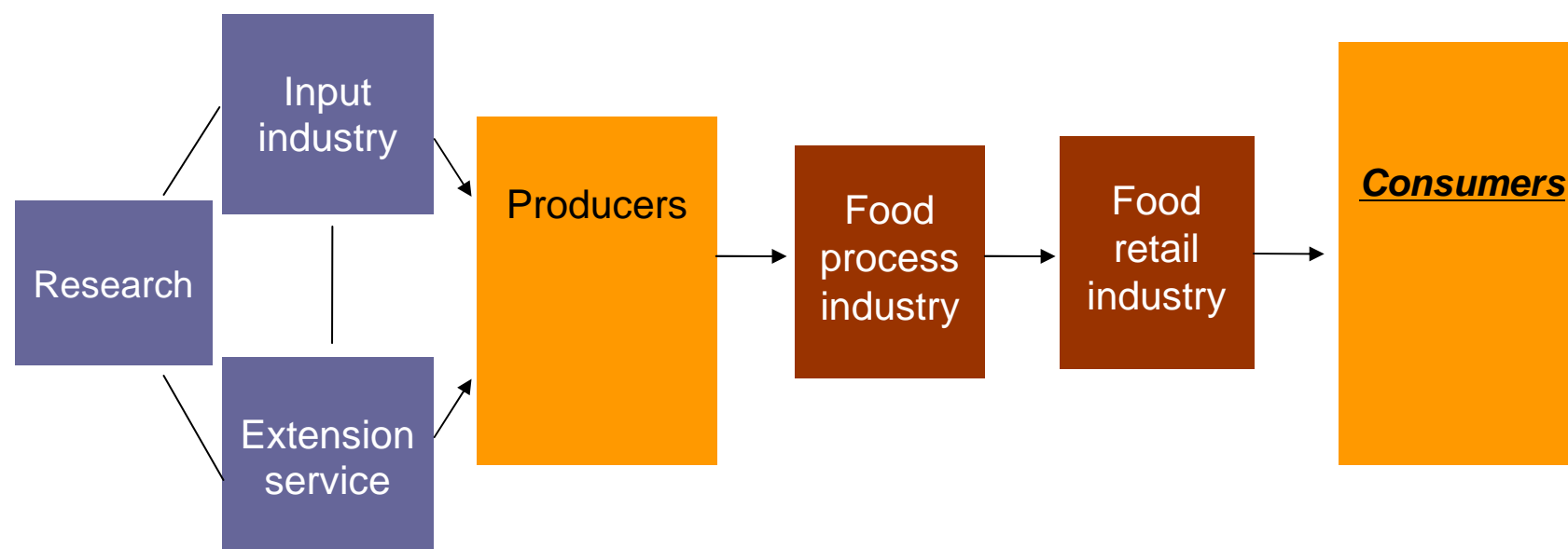
- **More cofinancing for agriculture and rural development will be available**
  - IFAD to provide project and program vehicles into which other donors can cofinance
- **Harmonization and aid effectiveness (Paris Agenda and One UN)**
  - IFAD projects embody principles of aid effectiveness and alignment with country programs
  - IFAD aligns with UNDAF
  - IFAD country staff based in other UN agency offices

# Agriculture commodity prices increasing, in part due to decline in rate of growth of agriculture productivity

- IFAD to focus more on **agricultural productivity growth**
- IFAD to help bring technological advances to developing countries
  - By strengthening the CGIAR and national agriculture research systems
- Using new models including **public-private partnerships**, or **farmer organization-led**, or private provision of public agriculture services and value chain approach

# Market and private sector increasingly driving agriculture – IFAD adapts this evolving reality to the benefit of small farmers

## VALUE CHAIN APPROACH



# Rural environmental issues and climate change

- Deforestation, groundwater depletion, salinization of irrigation areas, destruction of rural biodiversity, soil loss are all widespread in many developing countries
  - For example, UNEP Atlas of Africa paints a picture of extreme pressure and destruction of the African environment
- IPCC: rural environment problems to worsen due to climate change
- IFAD to **incorporate environmental concerns and adaptation to climate change** in its projects
  - Drought-resistant cultivars
  - Crop diversification
  - Alternative tillage and erosion control
  - Paid environmental services
  - Weather insurance
  - Drought contingency and early warning systems
  - Water management, including flood response
- Ramping up IFAD's **GEF program**

# Bolivia reforestation



Enabling poor rural people to overcome poverty



# Bhutan irrigation and land rehabilitation project



Enabling poor rural people to overcome poverty



# International migration and remittances

- **Total remittances at US\$300 billion in 2006**
- **IFAD to mobilize remittances for agriculture and rural development**

# Can IFAD expand its operations while delivering quality?

RESULTS	% of projects designed in 1995-2001 period rated satisfactory by IEE	Medium term 2010 Target established by IFAD's Board (% of projects rated satisfactory)	Latest results 2006/2007 (% of projects satisfactory)
Project effectiveness at completion	61%	80%	78%
Satisfactory impact on poverty at completion	37%	70%	75%
Satisfactory impact on learning, scaling up and/or knowledge management at completion	25-55%	70%	65%
Sustainable at completion	40%	80%	63%
Satisfactory country strategy impact on food security	n.a.	80%	86%



Thank you for your attention.