

# IFAD at a glance



# WHAT IS IFAD?

The International Fund for Agricultural Development (IFAD) is the only multilateral development institution that focuses exclusively on transforming rural economies and food systems. It works in remote regions of developing countries and fragile situations, where few aid agencies or international financial institutions venture.

Most of the world's poorest and hungry people live in rural areas. IFAD invests in the very people most likely to be left behind: poor small-scale producers, women, youth, indigenous peoples and other vulnerable groups.

Investing in rural areas promotes prosperity, food security and resilience. Economic growth in agriculture is two to three times more effective at reducing

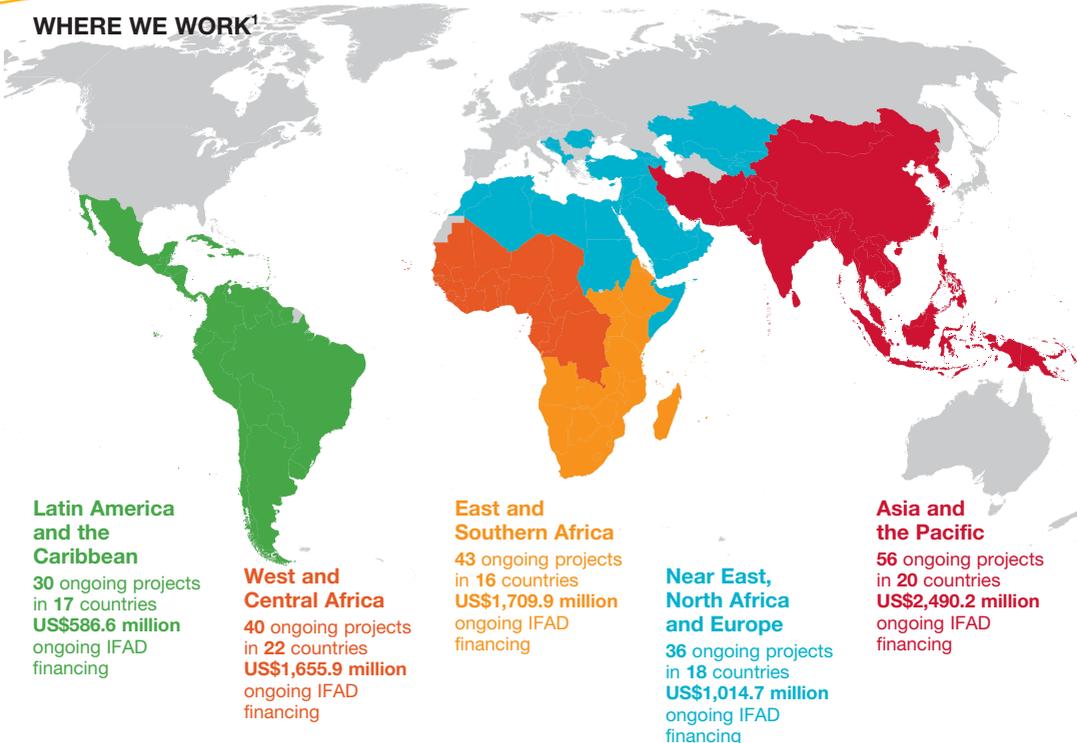
poverty and food insecurity than growth in other sectors.

IFAD acts as a catalyst for increasing public and private investments in agriculture and the development of rural enterprises. It places poor rural women and men at the centre of its activities and involves them as participants in project design and implementation.

## IFAD's model

IFAD provides low-interest loans and grants to developing countries. It also mobilizes cofinancing from Member States, developing countries and project participants themselves. IFAD focuses on low-income countries and lower-middle-income countries, particularly in sub-Saharan Africa, as well as targeting pockets of poverty in upper-middle-income countries.

## WHERE WE WORK<sup>1</sup>



<sup>1</sup> As at 31 December 2019.

To date, we have contributed US\$22.4 billion in loans and grants and mobilized an additional US\$31 billion in international and domestic cofinancing.

## HOW DO WE ACHIEVE RESULTS?

Around 2 billion people depend on small farms. IFAD supports projects that connect small-scale producers to markets and services so they can grow more and earn more – creating jobs both on and off the farm.

### Results reported in 2019 include:

**2.6 million people** trained in crop and livestock production practices and technologies

**3.1 million hectares** of land under improved management

**2.63 million people in small-farm households** supported in coping with the effects of climate change

**8,645 kilometres** of roads constructed or repaired

**163,637 microenterprises** gained access to business promotion services

**51 per cent of people** receiving services from IFAD-supported projects were women

### Climate and environment

Small-scale farmers bear the brunt of climate change. Rising sea levels and more intense droughts, storms and floods are putting pressure on the ecosystems farmers depend on. IFAD promotes food production that is environmentally sustainable. We are mainstreaming climate and environment across our portfolio. IFAD's Adaptation for Smallholder Agriculture Programme (ASAP) is the world's largest channel for adaptation resources for small-scale farmers.

### Finance and markets

Financial services are essential for growth and resilience. But these services rarely

reach rural communities where the world's poorest people live. IFAD is one of the largest lenders supporting inclusive rural financial services and access to innovative technologies, insurance and markets.

### Results reported in 2019 include:

**13.84 million voluntary savers**, 54 per cent were women

**11.95 million active borrowers** from IFAD-assisted microfinance institutions, 53 per cent were women

### Women and nutrition

Women are major contributors to agriculture and rural economies, yet they are among the most marginalized members of rural societies – too often lacking direct access to assets, or authority in their homes, organizations and communities. We help rural women gain access to the resources they need to improve their lives and assets.

Empowering women also helps reduce chronic child malnutrition. Women are more likely than men to spend their earnings on food and education. IFAD supports activities to improve the diets and nutrition of poor rural people through education and nutrition-sensitive agriculture.

### Youth and indigenous peoples

IFAD gives special attention to the most vulnerable groups: young people, women and indigenous peoples. Indigenous peoples account for about 5 per cent of the world's population but 15 per cent of those living in poverty.

Most of the world's 1.2 billion young people live in developing countries. They are three times more likely than adults to be unemployed.

IFAD's participatory approach and extensive in-country experience give the Fund a comparative advantage in working with vulnerable populations, especially in remote rural areas and fragile situations.

## Partnering with the private sector

IFAD works closely with the private sector. About 70 per cent of IFAD projects support the development of value chains that generally include small and medium-sized enterprises (SMEs). IFAD supports public-private-producer partnerships (4Ps) that help small-scale producers acquire the knowledge, technology and finance to grow their businesses and meet market standards. It helps build strong producer organizations that enable farmers to aggregate produce, access markets and resources, and increase their bargaining power.

## Building institutions

We work to strengthen national and local institutional capacity to improve the design, delivery and impact of development projects.

The projects we finance reinforce and amplify national policies. IFAD takes a programmatic approach, providing policy support and working closely with finance and agriculture ministries.

IFAD is increasing its presence on the ground to build stronger partnerships that deliver greater results.

## A unique mandate

IFAD is the international community's most direct conduit for channelling investment to small-scale producers and financing rural development.

A United Nations specialized agency created in 1977, IFAD is an innovative partnership between members of the Organization of the Petroleum Exporting Countries (OPEC), members of the Organisation for Economic Co-operation and Development (OECD), and developing countries. Today, 177 countries are IFAD Member States.

Through partnership, we spur greater investment in rural development and broker mutually beneficial relationships between the diverse parties working in development and poor rural people themselves. We work closely with other United Nations agencies, especially those based in Rome. We also partner with the private sector, agricultural research centres, NGOs and civil society organizations.

IFAD brings the perspective of small-scale producers and rural entrepreneurs to bear on international policy deliberations. We also help them build their capacity to participate in and influence policy processes.



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