



Twelfth Replenishment

**RECOVERY.
REBUILDING.
RESILIENCE.**

THE IFAD CASE FOR INVESTMENT

The road to recovery and a resilient future runs through rural areas.

Already before the COVID-19 pandemic, hunger was on the rise globally, and progress against poverty had stalled. Hunger devastates the lives of hundreds of million people across the world, not only robbing them of a future but weakening their immunity and health.

Now the Coronavirus threatens to push back the development progress of recent decades and set up a roadblock on the path to the Sustainable Development Goals. The International Food Policy Research Institute (IFPRI) estimates that over 140 million people could fall into extreme poverty in 2020¹ as a result of the pandemic.

In any crisis – whether a pandemic or a climatic disaster or other emergency – it is the poor and vulnerable who suffer the most.

Rural development aimed at the community and household level is key to reducing poverty, improving food and nutrition security, and increasing resilience to shocks like COVID-19.

Here's why:

- **Three quarters of the world's poorest and hungry people live in the rural areas of developing countries.**
- Around 63 per cent of the world's poorest people work in agriculture, **the overwhelming majority on small farms.**
- **Economic growth in agriculture is two to three times more effective at reducing poverty and food insecurity** than growth through other sectors. Investments in small-scale agriculture can help revive food production and create jobs following a crisis and enable rural communities to recover.

1/ <https://www.ifpri.org/blog/poverty-and-food-insecurity-could-grow-dramatically-covid-19-spreads>

- **Small farms produce 50 per cent of all food calories on 30 per cent of the world's agricultural land.** Their role in providing food is even more important at a time when disruptions of trade and transport threaten food supplies.
- **Prosperous small farms provide food and raise demand for locally produced goods and services.** This in turn spurs opportunity, economic growth and more stable communities and societies.

For its Twelfth Replenishment cycle (IFAD12), IFAD is calling on Member States to step up support for investments in the poorest and most marginalized people. **IFAD12 will determine the size of investments in 2022-2024 to continue recovery in a post COVID-19 world, both to increase resilience and to protect development progress already made.**

In the face of a global pandemic and looming economic and food crisis, **we have a unique opportunity to rethink, adapt and reinvest in a more sustainable future, especially for the poorest and most vulnerable.**

WHY IFAD?

IFAD is the only specialized global development organization exclusively dedicated to transforming agriculture, rural economies and food systems to make them more inclusive, productive, resilient and sustainable.

IFAD specializes in working in the most fragile and remote areas and with the most marginalized and vulnerable people. **By investing in IFAD, Member States directly improve the lives of millions of the world's poorest and hungriest people.**

Other organizations invest in agriculture, but 100 per cent of IFAD's portfolio targets small-scale producers, owners of small and medium-sized rural businesses, and other rural people at risk of being left behind.

IFAD delivers proven results. It systematically measures impact across its entire portfolio, an approach unique among international financial institutions. Every year, IFAD-supported projects raise the production of **15 million small-scale producers and increase the value of sales of another 16 million**, improve the resilience of **9 million project participants**, and significantly raise the income of **20 million rural people**.

IFAD investments pave the way for others. IFAD builds partnerships and assembles finance to ensure that each Member State dollar translates into more than US\$8 of investment on the ground.

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The conditions that have thwarted global efforts to end poverty and hunger have not abated. There are still locusts ravaging crops in eastern Africa. There are still climate shocks threatening food supplies.

Short-term crises can feed off long-term problems. Thus, the spread of illness can be catastrophic for small-scale food producers with weak resilience, poor nutrition and lack of access to resources and services.

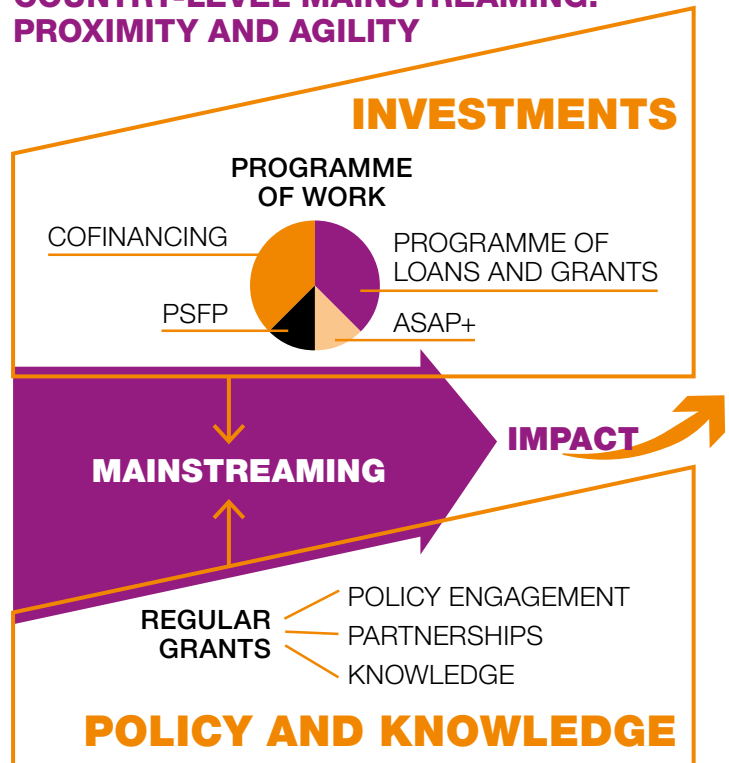
IFAD will continue to engage a widening constellation of partners to deliver on its core mandate. But in IFAD12 it will also put in place **a new business model tailored to a new global situation.**

The new business model embeds the lessons learned from the COVID-19 pandemic to ensure that IFAD's beneficiaries can sustain progress achieved, and build back better, stronger and more resilient livelihoods from this and other future shocks.

HISTORIC MANDATE. INNOVATIVE TOOLS.

IFAD will combine the core lending programme with expanded means of engaging with the private sector and will also use grant financing in the countries most vulnerable to climate change, fragility and food insecurity (see figure).

COUNTRY-LEVEL MAINSTREAMING: PROXIMITY AND AGILITY



Forty years of experience have shown that **sustainable results depend on addressing the root causes of poverty, hunger and vulnerability.** This is why IFAD has mainstreamed gender and women's empowerment, climate and environment, youth and nutrition across its portfolio.

Two new tools will support and deepen this approach. The **Private Sector Finance Programme (PSFP)** will bring in both private sector investment and innovation, with a particular **focus on job creation for youth, gender empowerment and strengthened resilience.**

The **Adaptation for Smallholder Agriculture Programme (ASAP+)** will take the current climate approach further by increasing the **focus on mitigation and resilience, and addressing the interlinkages between climate, fragility, nutrition and social inclusion.**

At a time of radical global change, IFAD will adapt, but will continue to go “the last mile”, with a dedicated focus on small-scale agriculture, food security and rural transformation so that the poorest, most marginalized and most remote communities will not be left behind.



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Rural Poor Stimulus Facility

IFAD has launched the **Rural Poor Stimulus Facility**, a funding mechanism to help the most vulnerable and marginalized people sustain themselves through the crisis and to accelerate the recovery of rural communities. It is essential to protect rural livelihoods and local food production so that the health crisis does not become a food crisis.

The RPSF will span 18 months – a short-term initiative to meet urgent needs of our target groups while supporting our long-term goal of building resilience. The multi-donor Facility is linked to the United Nations Socio-Economic Response Framework.