CLIMATE ACTION REPORT 2022

IFAD
Investing in rural people

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Foreword

Up to 3.6 billion people currently live in settings that are highly vulnerable to climate change.[1] As is often the case, the people who are the most vulnerable and who suffer the most are the ones who have contributed the least to warming our planet.

In 2022, there were historic floods in Pakistan. A record-breaking drought continues to ravage East Africa. Rising sea levels are threatening the very existence of some Pacific Islands. Wherever a climate emergency strikes, we all witness – again and again – that rural people are taking the biggest hit. However, as stated in the sixth and latest Synthesis Report of the Intergovernmental Panel on Climate Change (IPCC), the power is still in our hands to prevent the worst future impacts of climate change, if decisive and ambitious action is taken now.

If you are reading IFAD's 2022 Climate Action Report, you are aware of the urgent need to take action to tackle climate change and are curious about the contribution IFAD is making. Let's start with a retrospective from last year.

In May 2022, IFAD was engaging at the 15th session of the Conference of the Parties (COP15) of the United Nations Convention to Combat Desertification (UNCCD), where Heads of State adopted resolutions to enhance drought resilience, reduce land degradation and invest in land restoration efforts. Later, as world leaders at the 27th Conference of the Parties (COP27) of the United Nation Framework Convention on Climate Change (UNFCCC) recognized the need to protect the most vulnerable and affected by climate change through a loss and damage fund, IFAD was there to ensure that small-scale producers

1 IPCC, "Summary for Policymakers", in *Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*, edited by H. Lee and J. Romero (Geneva: Intergovernmental Panel on Climate Change, 2023), pp. 1-34, doi: 10.59327/IPCC/AR6-9789291691647.001.

and the rural poor were at the heart of discussions and proposed solutions. At COP27, IFAD also worked to ensure that the perspectives of small-scale farmers in low-income countries were considered in the finalization of a four-year road map for the Koronivia Joint Work on Agriculture (KJWA). The resulting Sharm el-Sheikh joint work on the implementation of climate action on agriculture and food security focuses on the implementation of climate action that prioritizes ending hunger and recognizing the vulnerabilities of food production systems, especially for small-scale farmers, women and youth. Finally, at the United Nations Biodiversity Conference (COP15 of the Convention on Biological Diversity), when the world agreed on the way forward to reverse the damage done to nature and protect biodiversity, IFAD actively worked to build public-private partnerships, mobilize diversified resources and highlight the role played by small-scale producers and Indigenous Peoples in safeguarding global biodiversity. IFAD's 2022 Climate Action Report places these moments and these important issues in sharp focus.

The year 2022 marked the beginning of IFAD's 12th replenishment period, which will run to 2025. For the next three years, recovery, rebuilding and resilience are IFAD's priorities. Looking forward, we are already gearing up for IFAD's 13th replenishment, during which climate and biodiversity will remain key priorities.

IFAD is determined to continue forging partnerships and mobilizing resources to build resilience in rural communities in low- and lower-middle-income countries and deliver tangible benefits to small-scale farmers and rural people that can support them in recovering and rebuilding from the impacts of climate change. In 2022, we expanded our efforts into new domains, such as nature-based solutions, fostering the safeguarding of biodiversity and the sustainable management of natural resources. This achievement was made possible by our effective ability to generate climate finance. The accomplishments owe much to the triumph of the Adaptation for Smallholder Agriculture Programme, which led to the successful mobilization of climate finance totalling US$336.5 million. Noteworthy contributions were secured from esteemed sources such as the Adaptation Fund, the Green Climate Fund and the Global Environment Facility. Among international financial institutions, IFAD stands out as the only entity that consistently evaluates the outcomes of its investments. In the period spanning 2019 to 2021, the impacts of IFAD's investments were notable:

- Over 77 million individuals experienced an increase in their earnings.
- Over 62 million individuals broadened their productive capabilities.
- More than 64 million people saw improvements in their access to markets.
- Approximately 38 million people reinforced their capacity to withstand challenges and adversities.[2]

It is critical to invest in solutions with lasting impact, such as climate-resilient development, so that when future crises hit, rural communities have the strength and resources to withstand them. The 2022 Climate Action Report shows that IFAD is uniquely positioned to address today's challenges. With over 40 years of experience focusing exclusively on building resilient rural communities, IFAD offers innovative financial mechanisms and solutions that can help build a more sustainable future by channelling climate financing to small-scale producers.

2 IFAD, *IFAD Annual Report 2022* (Rome: IFAD, 2023), www.ifad.org/en/web/knowledge/-/ifad-annual-report-2022.

IFAD's continued improvement in our adaptation to climate change ratings has justified a more ambitious performance target for IFAD12. During IFAD11 (2019-2021), the Fund committed US$1.2 billion in climate finance, representing 35 per cent of the approved Programme of Loans and Grants. This exceeded the 25 per cent target set for the period. For IFAD12, the climate finance target has been further raised to 40 per cent. This report not only presents the results of IFAD's climate-focused finance, it also testifies to the way IFAD combines up-to-date, robust knowledge on climate and sustainable agricultural development with easy-to-access financial mechanisms. This combination is crucial in building an equitable and more resilient tomorrow for small-scale farmers and rural people – the people at the heart of IFAD's mandate.

I hope you will find this report as informative and useful as I did. Enjoy the reading,

JYOTSNA (JO) PURI
Associate Vice-President
Strategy and Knowledge Department

Acronyms and abbreviations

ACC	Adaptation to climate change
AF	Adaptation Fund
ASAP	Adaptation for Smallholder Agriculture Programme
ASAP+	Enhanced Adaptation for Smallholder Agriculture Programme
COSOP	Country Strategic Opportunities Programme
CSN	Country Strategy Note
ENRM	Environmental and natural resource management
GBF	Global Biodiversity Framework
GCF	Global Climate Fund
GEF	Global Environment Facility
GHG	Greenhouse gas
IFAD	International Fund for Agricultural Development
IPAF	Indigenous Peoples Assistance Facility
IPCC	Intergovernmental Panel on Climate Change
MDB	Multilateral development bank
NDCs	Nationally Determined Contributions
PAGES	Amazon Sustainable Management Project
PoLG	Programme of Loans and Grants
RDMT	Resilience Design and Monitoring Tool
RFS	Resilient Food Systems Programme
SDG	Sustainable Development Goal
SECAP	Social, Environmental and Climate Assessment Procedures
UNFCCC	United Nations Framework Convention on Climate Change

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Executive summary

In 2022, there were significant developments at the international level that have opened the door for directing more climate finance towards vulnerable rural communities. Most notably, at the 27th Conference of the Parties of the United Nations Framework Convention on Climate Change, significant commitments were made to increase climate finance with the adoption of the Loss and Damage Fund. Also, the Global Biodiversity Framework, which was adopted at the United Nations Biodiversity Conference, includes commitments for increased financing for biodiversity that will have an impact on global efforts to address the climate emergency and climate finance.

To deepen the impact of its climate-focused investments, all 15 new IFAD country strategies approved in 2022 included an analysis of the country's Nationally Determined Contributions. IFAD also developed a Resilience Design and Monitoring Tool that provides a framework for building the resilience of rural households, and a step-by-step guide to designing resilience-building interventions and monitoring their adoption and effectiveness. A new IFAD ecosystem-level biodiversity core indicator and two sub-indicators were adopted and will be integrated into IFAD projects' monitoring and evaluation systems to track progress made in conserving biodiversity, which is crucial for building resilience and mitigating climate change. In its updated Policy on Engagement with Indigenous Peoples, IFAD committed to increasing the flow of climate finance to Indigenous Peoples. The focus of projects that will be implemented during the sixth three-year cycle of the Indigenous Peoples Assistance Facility is advancing Indigenous Peoples' conservation and sustainable management of biodiversity for adaptation and resilience to climate change.

In 2022, the total amount of climate finance in IFAD's Programme of Loans and Grants (PoLG) was US$246 million, of which US$236 million was adaptation finance and US$10 million mitigation finance. The percentage of IFAD's PoLG that is classified as climate

finance stands at 30 per cent, which is below the target of 40 per cent set for IFAD12. The Trust Fund for the enhanced Adaptation for Smallholder Agriculture Programme (ASAP+), which was launched in 2021, has received a total of US$92.2 million. As of December 2022, IFAD had mobilized US$493.5 million from the Global Environment Facility, the Green Climate Fund and the Adaptation Fund since 2019, and had already far surpassed the target set in the IFAD Strategy and Action Plan on Environment and Climate Change of mobilizing US$500 million in supplementary climate and environment finance by 2025.

Between 2020 and 2022, more than 90 per cent of IFAD's completed projects received adaptation to climate change (ACC) and environmental and natural resource management (ENRM) ratings higher than 4 in IFAD's six-tier performance rating system. This percentage exceeds IFAD12 targets.

ASAP has achieved at least 75 per cent of its outputs and outcomes, in full alignment with disbursement targets. Furthermore, across IFAD's portfolio there are currently 128 projects providing updates on IFAD core indicators that pertain to the integration of themes related to adaptation to climate change and environmental and natural resource management.

IFAD11 impact assessments found that around 38 million IFAD beneficiaries had seen their resilience improve by at least 20 per cent. This number exceeds the target of 24 million people. Studies indicate that IFAD's investment portfolio is a net carbon sink, with carbon sequestrations and greenhouse gas emissions reductions exceeding overall greenhouse gas emissions, with an overall negative carbon balance of more than 20 million t CO_2 equivalent.

To translate IFAD's experience and knowledge into large-scale transformative initiatives that can bring tangible social and economic benefits to rural communities and build their resilience to climate shocks and other crises, IFAD will continue to mobilize resources and work with governments, partners and the communities themselves to find innovative solutions that tackle the urgency of the climate crisis.

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Chapter 1: Towards just financing

KEY POINTS

- IFAD commits 40 per cent of its funds to climate finance in IFAD12, aiming to enhance climate resilience among rural communities.
- The global adaptation gap is widening, with projected costs reaching up to US$340 billion per year by 2030 and US$565 billion by 2050. IFAD's 13th replenishment consultation is an opportunity to secure funding for climate resilience in rural areas.
- The outcomes of the 27th Conference of the Parties (COP27) of the United Nations Framework Convention on Climate Change (UNFCCC) include the creation of a "loss and damage" fund, concerns about inadequate adaptation efforts, modest emissions reduction progress, and discussions on transitioning from fossil fuels and carbon market complexities. The summit emphasized the need for increased ambition, financial transparency and strategic actions.
- COP27 parties endorsed the Sharm el-Sheikh Implementation Plan to redirect finance flows toward low-emission and climate-resilient development.
- The adoption of the Global Biodiversity Framework (GBF) in 2022, including commitments to increased biodiversity financing, will impact global efforts to address the climate crisis and climate finance.

1.1 Introduction: The climate crisis is hammering the rural poor

The principle of "justice" in climate finance aims to transform commitments into feasible projects while also seizing opportunities to attract and amplify essential finance and investments that can bolster the climate agenda. The essence of "just financing" is to

ensure that financial mechanisms are not only aligned with climate goals but also consider equitable and ethical distribution, enabling the effective implementation of climate-related projects while mobilizing additional resources to support these crucial efforts.[3]

The year 2022 was another year in which we were constantly reminded that we are in a climate emergency and that rural people in low-income communities – the target beneficiaries of IFAD's investments – are suffering the brunt of the crisis. Some of the most severe climate shocks recorded over the year are as follows:

- In Pakistan, an unusually severe heatwave in 2022 was followed by torrential rains that caused unprecedented flooding that left a third of the country under water, caused the death of more than 1,700 people and displaced nearly 8 million people. The flooding mainly affected the country's 25 poorest districts, and agriculture was one of the sectors that suffered the most damage.[4] Irregular rainfall patterns are changes in when and how rain falls, causing disruption to traditional farming calendars and leading to crop failures.
- In Eastern Africa, the ongoing drought is contributing to increasingly high levels of acute food insecurity, with more than 22 million people in southern Ethiopia, Kenya and Somalia urgently needing food assistance.[5] Pastoral communities have been hit especially hard. In 2021 and 2022, pastoralists in the region lost over 13 million livestock. The high rates of malnutrition that have been observed are largely linked to the deficit in milk production and the loss of animals.[6]
- Throughout Latin America, unseasonable temperatures, wide temperature fluctuations and irregular rainfall patterns have been leading to declines in agricultural production and driving up food insecurity, particularly in the Dry Corridor of Central America.[7]

Climate-related crises are not the only hardships that impoverished rural communities are having to cope with. The COVID-19 pandemic is still causing social and economic disruption, with the World Health Organization's latest updates recording increases in reported cases in Africa and the Western Pacific, and increases in deaths in Africa, the Americas, South-East Asia and the Western Pacific.[8] By disrupting international trade in food and agricultural inputs, the conflict in Ukraine continues to threaten global food security, and other regional conflicts, such as the recent eruption of civil conflict in Sudan, are making the already fragile situation in rural areas even more precarious. To be effective at building resilience in rural communities, IFAD investments must necessarily go beyond climate resilience and adopt a broader systematic approach that strengthens resilience to a range of interconnected shocks.

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3 Egyptian Ministry of International Cooperation, *Sharm El Sheikh Guidebook for Just Financing* (Cairo: Ministry of International Cooperation, 2022), https://guidebookforjustfinancing.com/wp-content/uploads/2022/11/Sharm-El-Sheikh-Guidebook-for-Just-Financing.pdf.

4 Government of Pakistan, Asian Development Bank, European Union, United Nations Development Programme and World Bank, *Pakistan Floods 2022 Post-Disaster Needs Assessment – Main Report* (Islamabad: Government of Pakistan, 2022), www.undp.org/pakistan/publications/pakistan-floods-2022-post-disaster-needs-assessment-pdna.

5 World Food Programme, *Regional Drought Response Plan for the Horn of Africa: 2023* (Rome: World Food Programme, 2023), www.wfp.org/publications/regional-drought-response-plan-horn-africa-2023.

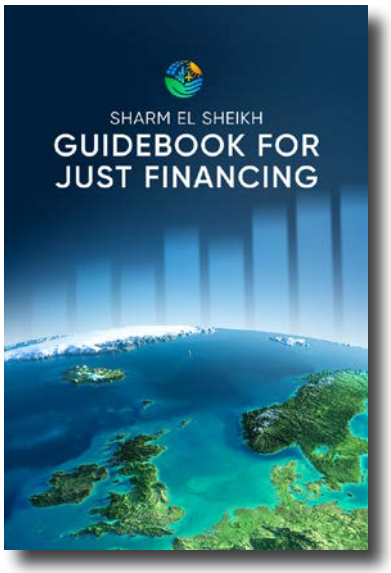
6 FAO, "Horn of Africa: 'The region is facing an unprecedented disaster'", Food and Agriculture Organization of the United Nations, 25 May 2023, www.fao.org/newsroom/detail/horn-of-africa---the-region-is-facing-an-unprecedented-disaster/en.

7 WMO, *State of the Climate in Latin America and the Caribbean 2021* (Geneva: World Meteorological Organization, 2022), https://library.wmo.int/index.php?lvl=notice_display&id=22104.

8 WHO, *Weekly epidemiological update on COVID-19 - 25 May 2023* (Geneva: World Health Organization, 2023), www.who.int/publications/m/item/weekly-epidemiological-update-on-covid-19---25-may-2023.

1.2 The need for just financing

IFAD was one of the lead institutions and main contributors to *The Sharm El Sheikh Guidebook* for Just Financing, which was published by the Egyptian Ministry of International Cooperation and launched at COP27. The Guidebook, which defines just financing as "financing that accounts for historical responsibility for climate change while ensuring equitable access to quality and quantity climate financing that supports resilient development pathways, leaving no one behind", lays out a process whereby climate commitments can be translated into implementable projects and generate opportunities to leverage additional finance and investments to support the climate agenda.



The *Sharm El Sheikh Guidebook for Just Financing* is available at https://guidebookforjustfinancing.com

The Guidebook notes that one of the factors that has inhibited climate financing are the challenges involved in disentangling and measuring the added benefits of climate adaptation investments compared to conventional developmental finance. To build the confidence of investors and borrowers to invest in climate action is critical to develop approaches that systematically measure the range of different social and economic co-benefits that can accrue from investments intended to build resilience to the impacts of climate change and other shocks. This is particularly true for low- and lower-middle-income countries that have been prioritized by IFAD during IFAD12, and for countries with fragile situations that constitute an area of strategic focus for the Fund. One of the tools highlighted in the Guidebook that can be used in approaches to monetize the benefits and co-benefits of actions to build resilience is the Resilience Design and Monitoring Tool (RDMT), whose development was finalized by IFAD in 2022 and which is described in greater detail in chapter 2.

1.3 IFAD's increasing climate ambitions

During IFAD12, which began in 2022 and will run through 2024, IFAD has committed to programming 40 per cent of its funds as climate finance. During IFAD11, the percentage of its Programme of Loans and Grants (PoLG) investments that were climate-focused reached 35 per cent, exceeding the 25 per cent target set for that replenishment period.

As noted in IFAD's Report on IFAD's Development Effectiveness 2022 (RIDE),[9] the continued expansion of the Fund's climate-focused portfolio will require additional staff and expertise in a range of areas, such as nature-based solutions, greenhouse gas (GHG) accounting and geospatial remote sensing.

Chapter 3 provides details on IFAD's climate-focused financing, but it is important to highlight at the outset of this report some of the developments that have shaped the international climate finance landscape in 2022. These developments have become especially significant, as IFAD has become not only a direct financier through its own mobilized resources but also an assembler of development finance. IFAD also supports countries in gaining access to additional climate financing from other sources, particularly the Green Climate Fund (GCF), the Adaptation Fund (AF) and the Global Environment Facility (GEF), beyond IFAD's own resources and leverage investments from the private sector.

The IFAD13 replenishment consultations in 2023 will provide a critical opportunity for IFAD to solicit feedback and strategic guidance from its Member States and, perhaps most importantly, mobilize additional contributions to IFAD's resources.

1.4 COP27 and new sources of climate finance

By far the most significant development in international climate finance was the agreement reached reached in 2022 at COP27 to provide loss and damage funding for vulnerable countries that have been seriously affected by floods, droughts and other climate disasters.[10] Details of how the Loss and Damage Fund will be implemented (e.g. which countries will pay into the fund, which countries will benefit, and where this money will come from) have yet to be determined.

At COP27, the Parties also agreed to a cover decision, known as the Sharm el-Sheikh Implementation Plan, that lays out a pathway to align the broader finance flows towards low-emission and climate-resilient development.[11] The Implementation Plan estimates that the successful transition to a low-carbon global economy will require a significant increase in investments of at least US$4-6 trillion a year. Carrying out this plan will require a rapid and comprehensive transformation of the structures and processes of the financial system that will involve collaboration among governments, central banks, commercial banks, institutional investors and other financial actors. The private sector will necessarily play a critical role in reaching these investment targets, and IFAD's Private Sector Financing Programme (PSFP), a facility that offers financing directly to operating companies and financial intermediaries on-lending, investing or offering services to small-scale farmers, the rural poor and micro-, small and medium-sized enterprises, can play a role in catalysing increased private sector investments to build rural resilience.[12]

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9 IFAD, *Report on IFAD's Development Effectiveness 2022 (RIDE)* (Rome: IFAD, 2023), www.ifad.org/en/-/report-on-ifad-development-effectiveness-2022.

10 UNFCCC, *Report of the Conference of the Parties on its twenty-seventh session, held in Sharm el-Sheikh from 6 to 20 November 2022. Addendum. Part two: Action taken by the Conference of the Parties at its twenty-seventh session* (Sharm el-Sheikh: United Nations Framework Convention on Climate Change, 2023), https://unfccc.int/documents/626561.

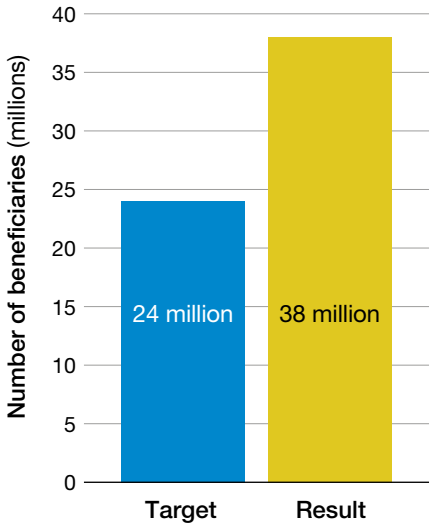
11 UNFCCC, *Sharm el-Sheikh Implementation Plan* (Sharm el-Sheikh: United Nations Framework Convention on Climate Change, 2023), https://unfccc.int/documents/624444.

12 For more information on the PSFP, see www.ifad.org/en/psfp.

1.5 Building resilience

The IFAD Impact Assessment Report 2019-2021[13] found that around 38 million IFAD beneficiaries had seen their resilience improve by at least 20 per cent (see figure 1). Building on this platform, we must leverage our expertise, data and evidence of effectiveness to inform the design of new country strategies and projects. The data provide a public good for policymakers, investors and borrowers that can encourage more investment from the public and private sectors. Accountability and learning are two pillars of IFAD impact assessments. One of the main lessons learned from the IFAD10 assessment was that resilience must be embedded into the design of projects from the outset. Both the IFAD10 and IFAD11 assessment reports stressed the critical importance of investing in value chains, particularly in the middle stages of the chain (processing, distribution, marketing), to maximize benefits. Developing sound methodologies for carrying out impact assessments on resilience-building is a critical element for encouraging greater climate investment in rural communities and achieving just financing. IFAD is the only international financial institution that measures the impact of its investments by systematically conducting impact assessments on a sample of at least 15 per cent of projects closing during each replenishment period.

Figure 1. Number of IFAD beneficiaries with greater resilience, 2019-2021



Adapted from [13]

1.6 The latest IPCC reports validate IFAD's approach

Data-driven investments bolster investor confidence in climate-focused actions in agriculture in part because they reduce the risk of maladaptation, and maladaptation is a real concern. *Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* noted

13 IFAD, *IFAD Impact Assessment Report 2019-2021* (Rome: IFAD, 2022), www.ifad.org/ifad-impact-assessment-report-2021/index.html.

increased evidence of maladaptation in various sectors and regions.[14] These maladaptive responses have particular consequences for small-scale farmers and Indigenous Peoples, and marginalized and vulnerable groups. The IPCC report states that the risk of maladaptation increases when actions focus on sectors and risks in isolation and short-term benefits.

IFAD has always been steadfastly committed to ensuring that its climate-focused finance does not address climate change adaptation and mitigation in isolation, but rather seeks to build long-term resilience in rural communities in diverse, mutually supportive ways. Since the 2012 launch of the first phase of the pioneering Adaptation for Smallholder Agriculture Programme (ASAP) – the largest multi-donor global fund specifically dedicated to enabling small-scale farmers to adapt and build their resilience to climate change – IFAD has been committed to building rural climate resilience with an approach that generates multiple and interconnected benefits (e.g. food security, gender equality, biodiversity conservation, carbon sequestration) and provides support for sustainable rural transformation. As noted in last year's Climate Action Report, this multi-benefit approach has been explicitly validated in *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*, which states that climate change adaptation can generate multiple benefits, including improved agricultural productivity, better health and well-being, greater food security and improved biodiversity conservation.[15]

1.7 The Global Biodiversity Framework

The adoption of the GBF in 2022 at COP15 of the Convention of Biological Diversity was another important milestone that will have an impact on global efforts to address the climate emergency and climate finance.[16] A total of 200 countries adopted the GBF, a 10-year framework with 23 targets[17] to be achieved by 2030. GBF Target 19 commits to increase finance from all sources to mobilize at least US$200 billion per year by 2030 to implement national biodiversity strategies and action plans. Within that amount, biodiversity finance from developed countries and Official Development Assistance shall reach US$20 billion per year by 2025 and US$30 billion per year by 2030. The new GBF Fund hosted by the GEF and recently launched to mobilize and accelerate investment in biodiversity conservation and sustainability of ecosystems will allocate 20 per cent of its collection towards indigenous-led initiatives to protect and conserve biodiversity. IFAD has much to offer to promote people-driven implementation of the GBF. It has considerable experience with Indigenous Peoples and local communities in designing and implementing nature-based solutions, agroecology and restoration (see box 1). IFAD thus possesses the unique comparative advantage to work with countries and development partners to blend

14 IPCC, *Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*, edited by H.-O. Pörtner, D.C. Roberts, M. Tignor, E.S. Poloczanska, K. Mintenbeck, A. Alegría, M. Craig, S. Langsdorf, S. Löschke, V. Möller, A. Okem and B. Rama (Cambridge, UK and New York, NY: Cambridge University Press, 2022), doi: 10.1017/9781009325844.

15 IPCC, *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*, edited by V. Masson-Delmotte, P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu and B. Zhou (Cambridge, UK and New York, NY: Cambridge University Press, 2021), doi: 10.1017/9781009157896.

16 UNEP, *COP15: Final Text of Kunming-Montreal Global Biodiversity Framework* (Montreal: United Nations Environment Programme, 2022), www.cbd.int/article/cop15-final-text-kunming-montreal-gbf-221222.

17 UNEP, *Kunming-Montreal Global biodiversity framework: Draft decision submitted by the President* (Montreal: United Nations Environment Programme, 2022), www.cbd.int/doc/c/e6d3/cd1d/daf663719a03902a9b116c34/cop-15-l-25-en.pdf.

climate and biodiversity finance available from external sources and combine this with its own resources to direct investments to activities that contribute to meeting the GBF targets and building the resilience of vulnerable rural communities.

Box 1. GBF targets of special relevance to IFAD

Target 1: Ensure that all areas are under participatory integrated biodiversity-inclusive spatial planning and/or effective management processes addressing land and sea use change, to bring the loss of areas of high biodiversity importance, including ecosystems of high ecological integrity, close to zero by 2030, while respecting the rights of Indigenous Peoples and local communities.

Target 2: Ensure that at least 20 per cent of degraded freshwater, marine and terrestrial ecosystems are under restoration, ensuring connectivity among them and focusing on priority ecosystems.

Target 3: Ensure and enable that by 2030 at least 30 per cent of terrestrial, inland water and coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem functions and services, are effectively conserved and managed through ecologically representative, well-connected and equitably governed systems of protected areas and other effective area-based conservation measures, recognizing indigenous and traditional territories, where applicable, and integrated into wider landscapes, seascapes and the ocean, while ensuring that any sustainable use, where appropriate in such areas, is fully consistent with conservation outcomes, recognizing and respecting the rights of Indigenous Peoples and local communities, including over their traditional territories.

Target 8: Minimize the impact of climate change and ocean acidification on biodiversity and increase its resilience through mitigation, adaptation and disaster risk reduction actions, including through nature-based solutions and/or ecosystem-based approaches, while minimizing negative and fostering positive impacts of climate action on biodiversity.

Target 9: Ensure that the management and use of wild species are sustainable, thereby providing social, economic and environmental benefits for people, especially those in vulnerable situations and those most dependent on biodiversity, including through sustainable biodiversity-based activities, products and services that enhance biodiversity, and protecting and encouraging customary sustainable use by Indigenous Peoples and local communities.

Target 10: Ensure that areas under agriculture, aquaculture, fisheries and forestry are managed sustainably, in particular through the sustainable use of biodiversity, including through a substantial increase of the application of biodiversity-friendly practices, such as sustainable intensification, agroecological and other innovative approaches, contributing to the resilience and long-term efficiency and productivity of these production systems, and to food security, conserving and restoring biodiversity and maintaining nature's contributions to people, including ecosystem functions and services.

Target 11: Restore, maintain and enhance nature's contributions to people, including ecosystem functions and services, such as regulation of air, water and climate, soil health, pollination and reduction of disease risk, as well as protection from natural hazards and disasters, through nature-based solutions and/or ecosystem-based approaches for the benefit of all people and nature.

Target 13: Take effective legal, policy, administrative and capacity-building measures at all levels, as appropriate, to ensure the fair and equitable sharing of benefits that arise from the utilization of genetic resources and from digital sequence information on genetic resources, as well as traditional knowledge associated with genetic resources, and facilitating appropriate access to genetic resources, and by 2030 facilitating a significant increase of the benefits shared, in accordance with applicable international access and benefit-sharing instruments.

Target 19: Substantially and progressively increase the level of financial resources from all sources, in an effective, timely and easily accessible manner, including domestic, international, public and private resources, including 19 f) Enhancing the role of collective actions, including by Indigenous Peoples and local communities, Mother Earth-centric actions and non-market-based approaches, including community-based natural resource management and civil society cooperation and solidarity aimed at the conservation of biodiversity.

Target 22: Ensure the full, equitable, inclusive, effective and gender-responsive representation and participation in decision-making, and access to justice and information related to biodiversity by Indigenous Peoples and local communities, respecting their cultures and their rights over lands, territories, resources and traditional knowledge, as well as by women and girls, children and youth, and persons with disabilities, and ensure the full protection of environmental human rights defenders.

Both the proposed new GBF Fund and the Loss and Damage Fund are encouraging developments, but the practical delivery of this financing will require some clarification, and there will be need for coordination to ensure that this new financing is used effectively and benefits the rural poor.

1.8 Conclusion: Just financing is possible

According to the IPCC's Sixth Assessment Report, we need to reduce global emissions by nearly 43 per cent by 2030 to achieve the Paris Agreement goal of limiting global temperature rise to 2 °C and pursuing efforts to limit the temperature increase to 1.5 °C.[18] The Sixth Assessment Report's Synthesis Report paints a stark picture of just how far off-track we are. Furthermore, the global stocktake, a process that assesses the progress countries have made towards reaching the Paris Agreement goals, is widely expected to be disappointing when it is released in 2023.

18 IPCC, *Summary for Policymakers of the IPCC Working Group III report, Climate Change 2022: Mitigation of climate change* (Geneva: Intergovernmental Panel on Climate Change, 2022), www.ipcc.ch/2022/04/04/ipcc-ar6-wgiii-pressrelease/.

But there is no need to give up hope. As this report will make clear, by working collaboratively, climate finance is having a positive impact on the lives of rural men and women and their families in low-income countries. We are constantly gaining a better understanding of the complex and deeply interconnected issues that need to be considered when making investments to build rural resilience. We are developing new methods and tools to measure and communicate the multiple social, economic and environmental benefits that can accrue to vulnerable groups through climate finance. We are steadily learning more about the range of options that are best suited to the needs of local communities in different settings.

To translate this experience and knowledge into truly transformative initiatives that can bring tangible social and economic benefits to rural communities and build their resilience to climate shocks and other crises, we need to reach levels of climate financing that are commensurate with the urgency of the situation. We need levels of climate financing that make a strong statement that says we are unwilling to accept a situation where the people who are the least responsible for the climate crisis are the ones who are paying the highest price. If investments to build rural resilience are not made today, the costs will be astronomically higher in the future.

As the IFAD13 replenishment consultation unfolds over the course of the coming year, we hope that representatives of IFAD's Member States will read this report and make the decision to increase their contribution to IFAD's resources. In 2021, IFAD was rated the most effective multilateral development organization in the world,[19] so they can be sure that their contribution will be put to good use. Working together, we can make just financing a reality. In harnessing its expertise and resources at the crossroads of climate action and small-scale agriculture, IFAD stands ready to drive significant advancements in channeling climate finance towards the empowerment and sustainability of smallholder farmers.

19 CGD, *Quality of Official Development Assistance (QuODA) 2021* (Washington, DC: Center for Global Development, 2023), www.cgdev.org/quoda-2021.

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Chapter 2: Mainstreaming climate and environment into IFAD's portfolio

KEY POINTS

- In 2022, 15 new IFAD country strategies were adopted, all incorporating analysis of the country's Nationally Determined Contributions (NDCs).
- Also in 2022, out of 15 IFAD-approved projects undergoing Social, Environmental and Climate Assessment Procedures (SECAP) risk assessments, 3 received high climate risk ratings, and 4 received high environmental and social risk ratings.
- IFAD's RDMT offers a framework for enhancing rural household resilience, including a step-by-step guide for designing and monitoring resilience-building interventions.
- IFAD introduced an ecosystem-level biodiversity core indicator and two sub-indicators to integrate into projects, bolstering efforts for biodiversity conservation.
- IFAD's Policy on Engagement with Indigenous Peoples includes a commitment to channeling more climate finance to Indigenous Peoples.
- The sixth three-year cycle of the Indigenous Peoples Assistance Facility (IPAF) is centred on advancing Indigenous Peoples' conservation and sustainable management of biodiversity for adaptation and climate resilience.

2.1 Introduction: Mainstreaming deepens impact

By mainstreaming climate (as well as gender, youth and nutrition) into its entire investment portfolio, IFAD deepens the impact of its projects and programmes. Although the mainstreaming process in many ways concerns internal procedures, the process helps ensure that IFAD projects in the field can deliver results that bring tangible resilience

benefits to rural communities. Mainstreaming is a process that begins before a project's conception, covers all stages of the project cycle and continues after project completion. It is a continuous learning cycle that serves to ensure that IFAD's resilience-building investments in rural areas become more effective over time.

The IFAD Strategy and Action Plan on Environment and Climate Change underpins IFAD's mainstreaming of climate change and environmental sustainability. This chapter focuses on integrating climate considerations into national strategies, applying IFAD's SECAP, adopting a new core biodiversity indicator, and facilitating climate-based interventions into IFAD's engagement and partnerships with Indigenous Peoples.

2.2 Mainstreaming starts with country strategies

As has been noted in earlier Climate Action Reports, the starting point for mainstreaming climate change into IFAD's investment portfolio and deepening the impact of its climate-focused actions has been the formulation of country strategies. These strategies, which take the form of Country Strategic Opportunities Programmes (COSOPs) or Country Strategy Notes (CSNs),[20] provide the framework within which client governments and IFAD make strategic choices about IFAD operations in the country and identify opportunities for IFAD financing.

The central objective of a country strategy is to ensure that IFAD country operations produce a positive impact on poverty and resilience.

In the IFAD Strategy and Action Plan on Environment and Climate Change, IFAD committed to include an analysis of a country's NDCs in the design of all country strategies. In last year's Climate Action Report, it was reported that during the three years of IFAD11 (2019-2021), a total of 60 country strategies had been approved (35 COSOPs and 25 CSNs). In 2022, the first year of IFAD12, 15 new country strategies were adopted (8 COSOPS and 7 CSNs). All these strategies have included an analysis of the country's NDCs. The countries and regional distribution are presented in table 1.[21]

This strategic approach seeks to enhance the alignment of IFAD's projects with national climate priorities and thereby elevate the overall impact of IFAD's interventions.

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20 COSOPs, which usually cover a period of six years, are concise strategic documents that identify the key objectives and development results that IFAD intends to achieve in a country. CSNs have a much shorter duration than COSOPs (up to two years) and are prepared as a transitional document in exceptional circumstances when there are some unknowns that make the formulation of a longer-term strategy difficult. For example, there may be uncertainty about the scope of IFAD's engagement in the country, an absence of a medium-term development strategy to frame IFAD's support or instability within the country (e.g. upcoming elections, social crisis, natural disaster or conflict).

21 More information about IFAD country strategies and access to all COSOPS and CSNs, which include SECAP background studies, is available at www.ifad.org/en/cosop.

Key features of NDCs analysis integration

Key features	Description
Integration into strategies	IFAD has embedded the analysis of a country's NDCs within the design of all country strategies.
National climate priorities	By aligning with NDCs, IFAD's projects better reflect a country's specific climate commitments.
Enhanced project relevance	Mainstreaming NDCs ensures projects are tailored to address the most pertinent climate issues.
Strengthened resilience	Consideration of NDCs bolsters projects' capacity to enhance climate resilience in communities.
Improved sustainability	Projects aligned with NDCs have a higher likelihood of contributing to long-term sustainability.

IFAD's approach involves a systematic integration of NDCs analysis into the design of its country strategies, encompassing both COSOPs and CSNs.

The integration of NDCs analysis into IFAD's country strategies enhances project relevance by aligning with national targeted climate actions for resilience and sustainability, fostering long-term viability through alignment with national climate aspirations, and promoting policy coherence between IFAD projects and national climate frameworks.

Table 1. New COSOPS and CSNs

Asia and the Pacific	Latin America and the Caribbean	Near East and North Africa and Central and Eastern Europe and the Newly Independent States (CEN)	East and Southern Africa	West and Central Africa
• Bangladesh (COSOP) • Cambodia (COSOP) • Indonesia (COSOP) • Kiribati (CSN) • Pakistan (COSOP) • Sri Lanka (CSN) (2023) • Tonga (CSN)	• Haiti (CSN) • Nicaragua (CSN)	• Jordan (CSN) • Uzbekistan (COSOP)	• Botswana (CSN • Malawi (COSOP) • Somalia (CSN) • United Republic of Tanzania (COSOP)	• Togo (COSOP) (2021)

2.3 Social, Environmental and Climate Assessment Procedures (SECAP)

Along with the NDCs analysis, all of IFAD's latest country strategies include SECAP background studies. SECAP is based on the United Nations Model Approach to Environmental and Social Standards for United Nations Programming. SECAP studies are used to inform the concept notes and the design of IFAD projects in the country and are included in the annex of the country strategy document.

SECAP outlines how to manage risks and impacts and integrate priorities into IFAD investments to achieve better development outcomes that strengthen rural resilience.

Since 2016, all IFAD projects must undergo a SECAP screening process to assess climate, environmental and social risks. The climate-related issues to be addressed will vary for each project. Projects classified as high-risk investments require a detailed vulnerability impact and adaptation assessment to identify measures for reducing risks and impacts. Thus, an additional in-depth analysis must be carried out, and the results presented for quality assurance/peer review along with the full project design document. These procedures reduce the likelihood of IFAD projects leading to maladaptation, ensure they "do no harm" and at the same time identify potential opportunities for delivering additional benefits. Table 2 shows the number of IFAD-financed projects that have received a high SECAP climate risk rating and a high environmental and social risk rating over the last four years.

Table 2. Number of IFAD-financed projects with a high SECAP climate or environmental and social risk rating

Year	Number of IFAD-financed projects with a high SECAP climate risk rating	Number of IFAD-financed projects with a high SECAP environmental and social risk rating
2019	26 out of 38 (68%)	5 out of 38 (13%)
2020	15 out of 23 (65%)	2 out of 23 (9%)
2021	18 out of 29 (62%)	3 out of 29 (10%)
2022	4 out of 15 (27%)	3 out of 15 (27%)

2.4 Resilience Design and Monitoring Tool

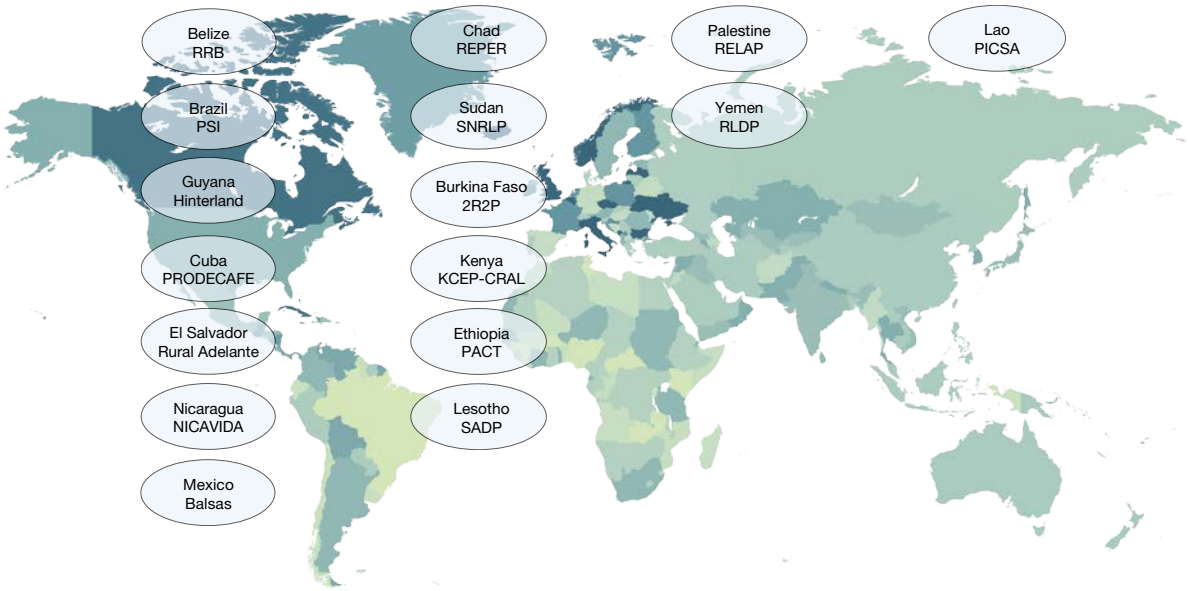
In 2022, IFAD finalized the development of a new tool, the RDMT, and published a How To Do Note on its use (www.ifad.org/en/web/knowledge/-/resilience-design-and-monitoring-tool). The RDMT, which is intended for project delivery teams, project management units, rural communities and other development partners, provides a framework for building the resilience of rural households, and a step-by-step guide to designing resilience-building

The RDMT provides a framework for building the resilience of rural households and a step-by-step guide to designing for and monitoring the performance of resilience-building interventions during project implementation.

interventions and monitoring their adoption and effectiveness. It measures the resilience capacity enhancement process on two levels:

- The extent to which project interventions aimed at enhancing resilience capacities are being adopted by the target groups (adoption index)
- Whether the adoption of these interventions is producing the expected resilience capacity results (resilience index).

Figure 2. RDMT applications



The RDMT How To Do Note was pilot-tested between 2017 and 2022 in a number of project designs and baseline and mid-term surveys. It is currently being applied to 16 projects within the IFAD portfolio portfolio (see figure 2), and from now on will be standardized for all projects approved under the Enhanced Adaptation for Smallholder Programme (ASAP+).

Box 2. RDMT case study

Some interesting results have already been observed through the RDMT. For example, KCEP-CRAL Kenya is one of the first projects to successfully implement the tool. The first project objective is to graduate smallholder farmers to commercially oriented, climate-resilient agricultural practices through improvements in productivity, post-production management practices and market linkages for targeted value chains. The second objective is to empower local government and communities to sustainably manage their natural resources while building resilience to climate change. The RDMT recorded a significantly higher resilience index for the treatment group (35.3 per cent) than for the contaminated group (14.4 per cent) and the control group (12.7 per cent) (see figures 3 and 4). The difference of 22.6 percentage points between the treatment and the control group can therefore be attributed to the project and included in its log-frame.

Figure 3. Impact of the project on resilience – differences in the resilience index for the control, contaminated and treatment groups

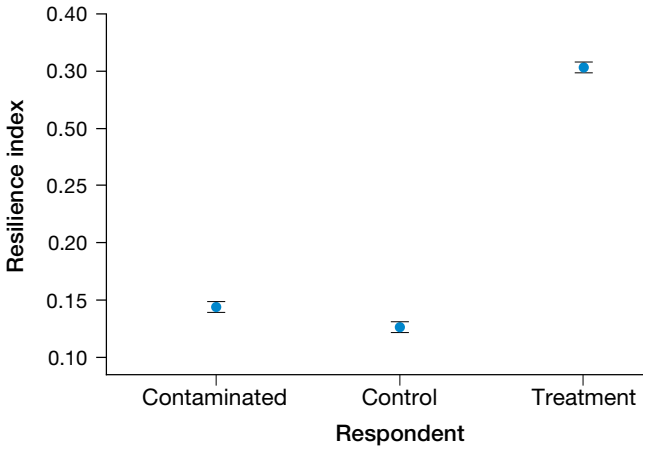
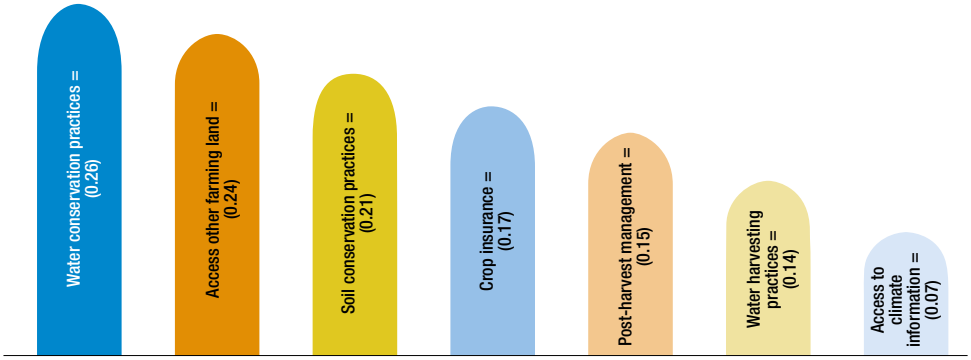


Figure 4. Predictors of resilience (practices adopted) (example from KCEP-CRAL, Kenya)



Some of the key lessons learned that are already arising from the application of the tool in Kenya are as follows:

Key insights	Description
Confirmation of resilience approach	The analysis validates the project's approach, showcasing significant positive impacts on beneficiaries' resilience capacities. This substantiates the potential for scaling up and replicating the project's effective model.
Identification of effective practices	Certain practices such as water conservation and road rehabilitation emerge as pivotal for building resilience. By combining data analysis with project expertise, replicating successful approaches becomes feasible in diverse locations. Tailoring practices to specific socio-economic and climatic conditions at the county level enhances implementation outcomes.
Synergistic practice networks	Higher resilience levels result from interconnected practices working collectively. The analysis identifies practice clusters aligned with thematic areas. To magnify resilience impacts, focusing on targeted groups for accessing and developing capacities in these practices is recommended.
Varied results and precision implementation	Resilience outcomes vary due to differing exposure to shocks and intervention adoption levels. To optimize outcomes, it is advisable to strategically implement interventions in areas with lower resilience.

Stories from the field on climate adaptation

Cambodia

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The Agricultural Services Programme for Innovation, Resilience and Extension (ASPIRE) (2014-2022) in Cambodia supported adaptation policy strategies for 144,000 vulnerable smallholders facing climate change and economic shocks, through agriculture services focused on value chains for resilient farm businesses. ASPIRE integrated climate resilience into local planning, fostering collective partnerships with buyers and financial institutions, extension services and resilient infrastructure investments. It exceeded the initial target number of households, reaching 148,230 in 32 districts and 427 communes.

Results: ASPIRE created 2,584 business clusters, promoting collective marketing, and benefiting 88,232 members. Household assets increased by 41 per cent (164 per cent of target), with net income from agriculture rising by 18 per cent. Farm income at project completion increased by 54 per cent compared to the "without-project" scenario.

Nigeria

The (CASP) Nigeria Strategic Importance of Awareness-Raising for Resilience-Building project targeted Nigerian farmers who lacked awareness of the natural and human-induced factors responsible for the changes in climate and the environment that they were facing. CASP collaborated with the Nigerian Meteorological Agency (NiMET) to provide weather information to guide farmers to predict the seasonal rainfall pattern and plan their crop calendar. The information from NiMET was translated into Hausa, the language spoken widely in the region, for ease of assimilation by the farmers irrespective of their level of literacy.

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Results: Farmers who used the climate information testified that they staved off huge losses due to a looming dry spell by preparing ahead of time. The information contributed significantly to improving the farmers' adaptive capacity and resilience. The awareness sessions on NRM at the community level also raised the consciousness of the community members about the activities designed to mainstream climate change adaptation and improve environmental sustainability and resilience. The insight is for projects located in fragile high climate risk areas to emphasize sensitization of the communities in a medium that is suitable for the respective communities, and community participation from the beginning of implementation.

2.5 New biodiversity core indicator for implementation of the IFAD Strategy on Biodiversity

In 2021, IFAD adopted the IFAD Strategy on Biodiversity 2022-2025, which builds on and complements the IFAD Strategy and Action Plan on Environment and Climate Change 2019-2025.[22] IFAD is committed to ensuring that 30 per cent of its core climate finance is invested in nature-based solutions by 2030 to align activities and financial flows with biodiversity.

Box 3. Biodiversity conservation and climate action are mutually supportive

There is a close relationship between the conservation of biodiversity and climate adaptation and mitigation. The findings of the 2021 internal IFAD biodiversity stocktake showed that biodiversity-relevant interventions were supported in nearly all (95 per cent) of the projects classified as climate-sensitive, confirming the linkage between biodiversity and climate. By conserving agricultural biodiversity, we help ensure that we have the genetic resources we need to breed new crop varieties and livestock that are better adapted to changing climate conditions. More biodiversity conservation and its sustainable use means countries and local communities have more options for applying nature-based solutions to developing agricultural value chains that can drive local economic growth and create employment for men and women of all ages; more options for sustainably managing land and water resources; and more options for ensuring families have diversified and nutritious diets. By conserving biodiversity-rich ecosystems and fostering the sustainable use of biodiversity, we can mitigate and adapt climate change by maintaining healthy landscapes that can sequester and store carbon. Reducing the concentration of GHGs in the atmosphere is critical to safeguarding global biodiversity, as the impacts of climate change are likely to become the major driver of biodiversity loss over the next few decades.[23]

Project example	
Project name	Upper Tana Catchment Natural Resources Management Project
Dates	2012-2022
Target group	300,000 rural poor households
Financing	IFAD, including the ASAP; the Kenyan Government; local beneficiaries; and the Spanish Trust Fund
Development challenges	Forest degradation, inappropriate farmland use practices and overgrazing in the pastoral lowlands have triggered increased soil erosion, leading to a high sediment load in the Tana river, which has contributed to the rapid loss of the life-supporting functions of the river and catchment ecosystem, heavily impacting local biodiversity and contributing to the persistently high levels of poverty.

22 IFAD, *IFAD Strategy on Biodiversity 2022-2025* (Rome: IFAD, 2022), www.ifad.org/en/-/biodiversity-strategy.

23 Case studies of IFAD projects in Bangladesh, Brazil, Burkina Faso, Kenya and Turkey that highlight the connection between biodiversity and rural resilience are presented in IFAD, *The Biodiversity Advantage: Thriving with nature – biodiversity for sustainable livelihoods and food systems* (Rome: IFAD, 2021), www.ifad.org/en/web/knowledge/-/biodiversity-advantage-report.

Project responses	• Rehabilitation of degraded forests: The project has rehabilitated 2,413 hectares of degraded forestland in the Mount Kenya and Aberdares Forest ecosystems. • Plantation: - 100 seedlings on 7,450 farms, with a 77 per cent survival rate - Provided seedlings to 2,439 schools for the School Greening Programme (150-500 per school), which resulted in pupils adopting trees, promoting environmental governance - The tree-planting activities promote water and soil conservation on farmlands and other degraded areas. • Natural resource management: The project has made great strides in the promotion of a range of energy-saving stoves and biogas initiatives at both household and institutional levels. More information: https://www.ifad.org/en/web/knowledge/-/biodiversity-advantage-report

In 2022, as part of the implementation of its Strategy on Biodiversity, IFAD has finalized a new biodiversity core (outcome) indicator: "Biodiversity improvements at ecosystem level". The indicator will be incorporated into IFAD's existing core indicator framework and will become mandatory for new project designs that include nature-based solutions climate finance from 2023 onwards. It will be integrated into IFAD projects' monitoring and evaluation systems and will be reported at two points during a project's lifetime (design and completion). They will serve to generate sound comparable data that can be used by IFAD, as well as other financing institutions, to guide future investment decisions.

Increased agricultural biodiversity at the household level has been used as one of the indicators of greater resilience in IFAD's impact assessment methodology. The biodiversity core indicator, on the other hand, will be used to provide an ex ante simulation in biodiversity at the ecosystem level. It measures biodiversity improvements using two sub-indicators:

- The area of intact biodiversity
- The average natural capital value per hectare.

To track progress for these two sub-indicators, IFAD uses the Adaptation, Biodiversity and Carbon Mapping (ABC-Map) tool.[24] ABC-Map is a geospatial app built on the Google Earth Engine that uses satellite imagery to assess the environmental impact of national policies and plans (e.g. NDCs, National Adaptation Plans) and investments in the agriculture, forestry and other land use sectors.

The IFAD core biodiversity indicator visualizes how IFAD projects are improving plant and animal biodiversity and enhancing the economic value of nature.

24 For more information about the ABC-Map Tool, see https://abc-map.org

Box 4. What do the biodiversity sub-indicators measure?

The area of intact biodiversity is based on mean species abundance (MSA), a metric that expresses the mean abundance of original species in a disturbed habitat compared to their abundance in an undisturbed habitat. It indicates the extent to which an ecosystem is intact. Developed by GLOBIO, a global awareness nonprofit, MSA is used by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) and the IPCC in their reports and is one of the most widely used indicators in biodiversity accounting.[25] ABC-Map automatically calculates the MSA values for both the baseline and project situation and provides a time series for the area of intact biodiversity.

Natural capital can be considered the total of all ecosystem services over a given period of time. Using the ecosystem service values compiled in the Ecosystem Services Valuation Database (ESVD),[26] ABC-Map calculates the natural capital values at the baseline and for the project situation and generates a time series for the average natural capital values. It also provides an additional metric called average natural capital per hectare, which corresponds to an average ecosystem service value for one hectare of land within the project intervention area.

Measuring biodiversity, like resilience, is a complex task. No single indicator can capture all its aspects and changes in space and over time. For example, there are a total of 23 headline indicators currently under discussion for the GBF. In 2022, IFAD published a guidance document that describes the decision-making process that led to the selection of its core biodiversity indicator and sub-indicators and provides comprehensive guidance for their application. The guidance document[27] includes five case studies where the ABC-Map tool was used to estimate the improvements in ecosystem-level biodiversity using the new sub-indicators. In four of the five projects, it is estimated that biodiversity will improve. The findings for the five case studies are summarized in Figure 5.

25 European Commission, *Assessment of biodiversity measurement approaches for businesses and financial institutions – Update Report 3* (Brussels: European Commission, 2021), www.business-biodiversity.eu/bausteine.net/f/9722/EU_B%40B_Platform_Update_Report_3.pdf?fd=0.

26 De Groot, R., Brander, L., Lieshout, J., Solomonides, S., Goñi, V.G., Schaegner, P., Van 't Hoff, V., Stevens, M., Konovska, I., Siebers, M. and Van Vliet, A., *Updating and Upgrading the Ecosystem Services Valuation Database (ESVD): a global database for valuing ecosystem services* (Foundation for Sustainable Development, 2021), www.researchgate.net/publication/355158819_Updating_and_Upgrading_the_Ecosystem_Services_Valuation_Database_ESVD_a_global_database_for_valuing_ecosystem_services_with_focus_on_data_relevant_for_the_Netherlands.

27 www.ifad.org/en/web/knowledge/-/biodiversity-coreindicator-comprehensive-guidance

Figure 5. Increase in area of intact biodiversity and average natural capital in five IFAD projects

Case study project	Increase in area with intact biodiversity (ha)	Increase in average natural capital (US$/ha)
Community-based Agricultural Support Project Plus (CASP+) in Tajikistan[28] 7 years (2022-2028)	+14,663	+0.02
The Participatory Natural Resource Management and Rural Development Project in the North, Centre-North and East Regions (Neer-Tamba) Project in Burkina Faso[29] 10 years (2013-2022)	+3,664	+1.99
The Reduced Emissions through Climate Smart Agroforestry (RECAF) project in Viet Nam[30] 12 years (2023-2034)[31]	+153 800	+218
The Inclusive Blue Economy Project (I-BE) in Haiti[32] 6 years (2022-2027)	+14 663	+ 5.33
The Programme for Rural Irrigation Development (PRIDE) in Malawi[33] 7 years (2016-2022)	-138	+/-0

Stories from the field on biodiversity and nature-based solutions

Nicaragua

In Nicaragua, the Adapting to Markets and Climate Change Project (NICADAPTA) (2013-2020) implemented the planting of shade trees in diversified cropland.

Results: The project brought 1,900 ha of cocoa and around 4,350 ha of coffee under shade-grown systems. Trees and their dropped fruits and leaves contributed to improved soil health, groundwater retention and agricultural productivity, and supported important pollinators. The variety of fruiting and timber species provided diversified incomes and improved food security and nutrition.

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28 https://www.ifad.org/nl/web/operations/-/project/2000002204
29 https://www.ifad.org/nl/web/operations/-/project/1100001580
30 https://www.ifad.org/nl/web/operations/-/project/2000002336
31 This project is at concept note stage. There is no information on the exact activities (and area) yet. The project impact on biodiversity is derived from the difference between the project scenario for halting deforestation and forest degradation (the conservation scenario) and the dynamic baseline, which projects past trends into the future.
32 https://www.ifad.org/en/web/operations/-/project/2000002247
33 https://www.ifad.org/en/web/operations/-/project/1100001670

Lao People's Democratic Republic

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The Southern Laos Food and Nutrition Security and Market Linkages Programme (FNML) (2013-2020) enhances soil fertility and pest management by promoting effective micro-organism (EM) techniques in house gardens, positively influencing plant growth. The EM technique is a nature-based solution that restores soil micro-organisms by safely extracting minerals from vegetable and plant waste.

Results: The EM mixture improves the growth, quality, diversity and yield of vegetables in house gardens. Before using the EM mixture, farmers harvested 5-6 kg of vegetables per plot; using the mixture, they can harvest up to 12-15 kg per plot while saving on expensive chemical fertilizers.

2.6 Indigenous Peoples, climate action, biodiversity conservation and nutrition

Indigenous Peoples living in rural areas of low-income countries have always been among the explicit target groups for IFAD's investments. In rural areas, Indigenous Peoples represent 20.8 per cent of those living in extreme poverty and are more than twice as likely to be extremely poor as their non-indigenous counterparts.[34] Around 80 per cent of the planet's remaining biodiversity and 40 per cent of protected areas are managed by communal and Indigenous Peoples which, in many places, have proved more effective than national parks.[35] Furthermore, 70 per cent of the world's poor people and most Indigenous Peoples depend on wild species, and 20 per cent rely on wild plants, algae and fungi for food and income. Biodiversity plays a significant role in their dietary diversity.

34 ILO, *Work for a brighter future – Global Commission on the Future of Work* (Geneva: International Labour Organization, 2019), www.ilo.org/global/topics/future-of-work/brighter-future/lang--en/index.htm.

35 Ricketts, T.H., et al., "Indigenous Lands, Protected Areas, and Slowing Climate Change", *PLoS Biol* (2010) 8(3): e1000331, https://doi.org/10.1371/journal.pbio.1000331; and Oldekop, J.A., et al., "Reductions in deforestation and poverty from decentralized forest management in Nepal", *Nature Sustainability* (2019) 2: 421-428, www.nature.com/articles/s41893-019-0277-3.

Box 5. IFAD investments for Indigenous Peoples

IFAD is the sole international financial institution to include commitments and targets on Indigenous Peoples in its corporate documents. It has traditionally been viewed as a champion of Indigenous Peoples' rights. Since 1979, about 30 per cent of IFAD's lending programme has supported development initiatives with Indigenous Peoples. In 2022, 37 per cent of the IFAD portfolio supported initiatives in areas home to Indigenous Peoples. IFAD investments were around US$1 billion and helped leverage another US$2 billion in cofinancing to support 83 projects that benefited about 9 million Indigenous People in 46 countries.[36] The ambition for IFAD12 is to increase investments that prioritize Indigenous Peoples. With its long history of engagement and partnerships with Indigenous Peoples, IFAD is well placed to help ensure climate financing is used effectively to build resilience in Indigenous Peoples' communities and contribute to reinforce their nutrition.

In 2022, in keeping with a commitment made in the IFAD12 consultation report, IFAD updated its 2009 Policy on Engagement with Indigenous Peoples to reflect recent developments in global financing sources for climate action and biodiversity conservation and bring it in line with the IFAD Strategy and Action Plan on Environment and Climate Change 2019-2025 and the Strategy on Biodiversity. The updated policy will inform IFAD's overall engagement with Indigenous Peoples during the next decade (2022-2032). In the updated policy's theory of change, the stated development result is: "By 2032, ensure that 11 million Indigenous Peoples in rural areas are empowered to improve their rights, well-being, income, food sovereignty and nutrition security, and climate resilience through self-driven development that builds on their identity, spirituality and knowledge."

IFAD's updated Policy on Engagement with Indigenous Peoples recognizes that global aid is evolving, with increased funding coming from a growing range of sources. It commits to ensuring that Indigenous Peoples have access to these resources to build their resilience.

Climate financing plays an important role in the funding instruments required to achieve this result. IFAD will proactively work to direct climate and biodiversity finance to Indigenous Peoples through country programmes and take on a leadership role in promoting the engagement of Indigenous Peoples within climate funds – for example, the GEF and its small grant programme, the Global Agriculture and Food Security Program, and its direct window for civil society organizations, the GCF and the AF, as well as

36 IFAD, *IFAD Policy on Engagement with Indigenous Peoples: 2022 update* (Rome: IFAD, 2022), www.ifad.org/en/-/document/ifad-policy-on-engagement-with-indigenous-peoples.

financing through the Global Forest Finance Pledge, which was established at UNFCCC COP26. Furthermore, the GBF emphasizes the importance of Indigenous Peoples and local communities' direct access to finance, and the GBF Fund has a target of 20 per cent of the allocation benefiting them. Financing opportunities are expected to increase alongside biodiversity finance. IPAF will remain IFAD's primary mechanism for channelling funding to Indigenous Peoples, and IFAD will raise donors' and climate funds' awareness of IPAF as an opportunity to provide Indigenous Peoples with direct access to climate finance.

Box 6. Climate change at the sixth Indigenous Peoples' Forum at IFAD

The Indigenous Peoples' Forum at IFAD (IPFI), established in 2011, convenes every two years in connection with sessions of IFAD's Governing Council. It is the central instrument for institutionalizing the Fund's partnership with Indigenous Peoples and fosters dialogue among Indigenous Peoples, IFAD staff and Member States. The theme of IPFI's sixth global meeting, held in 2023 at the 46th session of the IFAD's Governing Council, was "Indigenous Peoples' climate leadership: community-based solutions to enhance resilience and biodiversity". In 2022, regional and subregional consultation meetings were organized in Africa, Asia, Latin America and the Caribbean, and the Pacific.

Information and documents from IPFI's sixth global meeting, including a summary of the regional consultations, are available at https://www.ifad.org/en/web/events/ifad-indigenous-peoples-forum-2023

Last year marked the beginning of the sixth of cycle of IPAF. The focus of this three-year cycle is on advancing Indigenous Peoples' conservation and sustainable management of biodiversity for adaptation and resilience to climate change. With the support of the Swedish International Development Cooperation Agency (SIDA) and the Packard Foundation, IPAF will provide small grants of between US$20,000 and US$70,000 to fund 30 small projects designed by Indigenous Peoples and co-managed by partner organizations. For the sixth IPAF cycle, the IPAF board decided to increase the ceiling of the small grants to US$70,000 (previously US$50,000) and extend the implementation period to three years from the previous two years.

Stories from the field on Indigenous Peoples

Philippines

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In the Philippines, the Cordillera Highland Agricultural Resource Management Project (2008-2021) and its scale-up phase applied a participatory and demand-driven approach in line with the United Nations Declaration on the Rights of Indigenous Peoples. The aim of the project was to reduce poverty and improve the livelihoods of Indigenous Peoples living in farming communities in the mountainous project area.

The project supported the delineation of ancestral domains and the facilitation of boundary conflict resolution, along with the issuance of formal land titles with the final aim of strengthening land use planning and improving security of tenure. The project also introduced several new approaches to the Cordillera Administrative Region, such as the ancestral domain sustainable development and protection plan, the covenant approach to reforestation and agroforestry farmer field schools, and the participatory monitoring approach.

Results: Bonded to their land and natural resources through the sacred Green Covenant scheme, which builds on their traditions, Indigenous Peoples reforested almost 8,500 hectares of land and established 5,500 hectares of agroforestry plots. More than 28,000 people engaged in community-based co-learning processes through 176 agroforestry farmer field schools. The commercialization of Indigenous Peoples' products was promoted through value chain development and market linkages supported by indigenous knowledge systems and practices. Access to markets increased through agroecological production and produce transformation.

Ethiopia

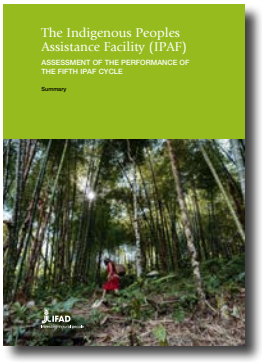
©IFAD/Petterik Wiggers

Thanks to the IPAF project Chencha-Guggie Indigenous Tree Species Restoration, Local Climate Change Adaptation and Indigenous Livelihood Enhancement, the Gamo people of Ethiopia protected and restored endangered species to halt

deforestation and cope with the consequences of climate change affecting their environment.

Results: The project adopted an intergenerational approach, whereby community members taught their children indigenous tree preservation, protection and sustainable management. Most of the farmers involved their children in the creation of tree nurseries, using this as an opportunity to transfer knowledge.

Box 7. Assessment of the Performance of The Fifth IPAF Cycle



In 2022, IFAD published the Assessment of The Performance of The Fifth IPAF Cycle, which focused on indigenous youth. Climate change mitigation and adaptation was one of the four thematic areas prioritized, along with food security and nutrition; access to markets; and access and rights to land, territories and resources. There was a 30 per cent increase in project applications over the previous cycle – a testament to IPAF's increasing visibility and reputation for effectiveness. The assessment covered 35 projects in 29 countries that included the participation of 47 different Indigenous Peoples. These projects reached over 10,600 direct beneficiaries. More than 60 per cent of these beneficiaries were women, and approximately 52 per cent were young people.

2.7 Conclusion

In 2019, when IFAD adopted its Strategy and Action Plan on Environment and Climate Change, it recognized that additional financial resources would be required to realize the ambitious actions outlined in the strategy. Financial resources will also be required for the continued implementation of the Strategy on Biodiversity.

Delivering results that build the resilience of vulnerable people in rural areas to a wide range of shocks depends on having the resources to undertake careful national analyses, thorough backgrounds studies, risk and impact assessments, and effective monitoring and evaluation. This learning process, which is integral to mainstreaming, deepens the impact of IFAD's investments. It also generates data and builds the evidence base that can be used to guide future investments and build investor confidence. Increased financing for this process improves IFAD's development effectiveness, but also provides useful tools, information and experiences that benefit IFAD's partners at both national and international level.

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Chapter 3: Financing

KEY POINTS

- In 2022, the total amount of climate finance in IFAD's PoLG was US$246 million, of which US$236 million was adaptation finance and US$10 million mitigation finance.
- The percentage of IFAD's PoLG that is classified as climate finance stands at 30 per cent, which is below the target of 40 per cent set for IFAD12.
- The ASAP+ Trust Fund has a total of US$91.7 million, against the overall target of US$500 million.
- As of December 2022, IFAD had mobilized US$493.5 million from the GEF, the GCF and the AF since 2019, and had already far surpassed the target set in the IFAD Strategy and Action Plan on Environment and Climate Change of mobilizing US$500 million in supplementary climate and environment finance by 2025.

3.1 Introduction

IFAD tracks its climate financing to monitor its performance against climate finance commitments made during each IFAD replenishment period. To overcome this climate finance gap, IFAD has been setting an example by channelling and increasing the share of its investments to support vulnerable rural communities to become more resilient to the impacts of climate change and other shocks, and enable them to embark on a sustainable, low-emission pathway to economic transformation. Increasing the amount of climate finance directed to small-scale farmers testifies to greater ambitions for building resilience, but it does not necessarily guarantee greater impact. Increased climate finance must be accompanied by ambitious targets and clear indicators of progress. This is critical for mobilizing more climate investment and building the momentum for transformative change.

This chapter looks at recent developments in climate finance from IFAD's PoLG, and ASAP+ and supplemental financing mobilized from the GEF, the GCF and the AF.

3.2 IFAD's Programme of Loans and Grants

In 2022, the percentage of IFAD's PoLG that was classified as climate finance stood at 30 per cent (see figure 6). IFAD is currently on track to meet the IFAD12 climate finance target, which was increased to 40 per cent of the PoLG from 25 per cent in IFAD11, despite the slow start to IFAD12 in 2022. To make up for the shortfall in 2022, IFAD management has undertaken actions to exceed the 40 per cent target over the next two years. These actions include screening all financing requests and providing more feedback during the design process to capture all climate finance.

Figure 6. Percentage of IFAD's PoLG classified as climate finance and building adaptive capacity (actual vs. target)

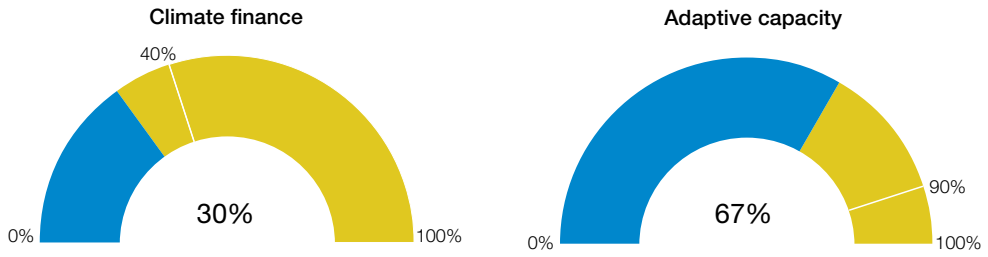


Figure 7. IFAD climate finance programming

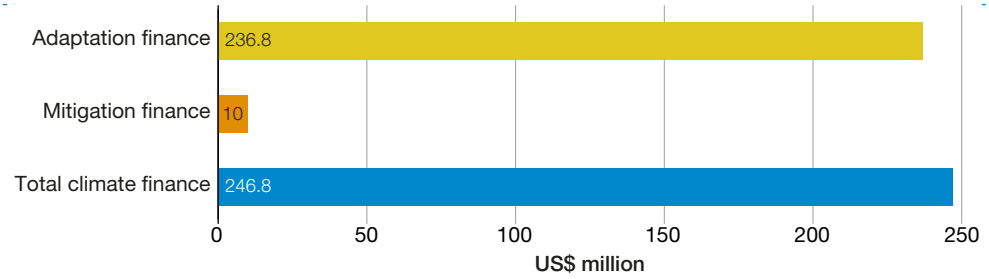


Figure 8. IFAD climate finance by region

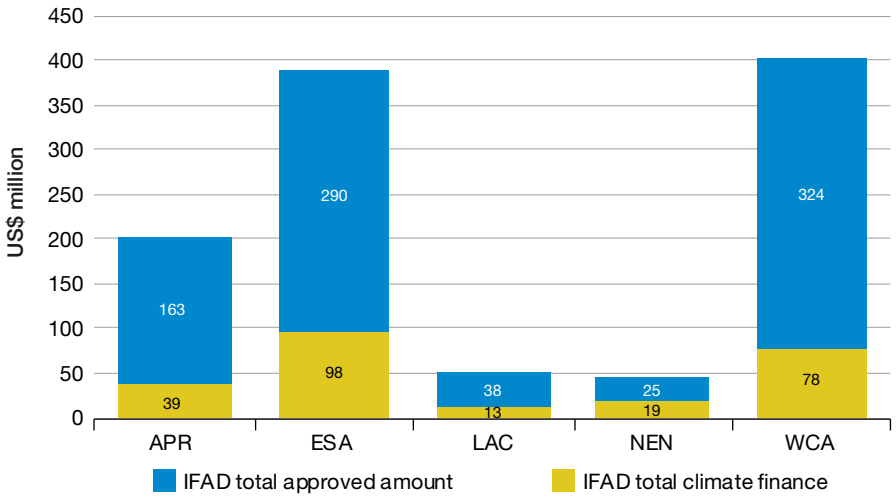


Figure 9. IFAD climate change adaptation finance by multilateral development bank sector

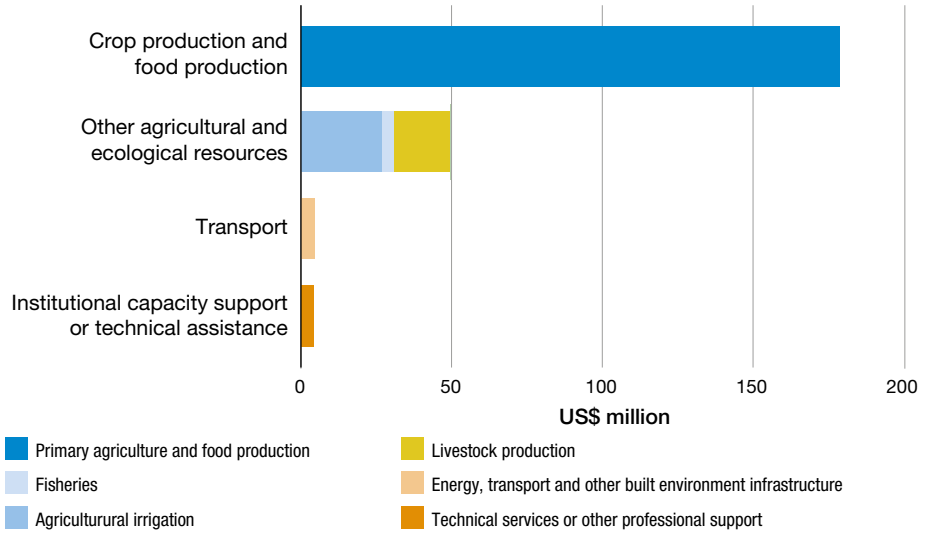
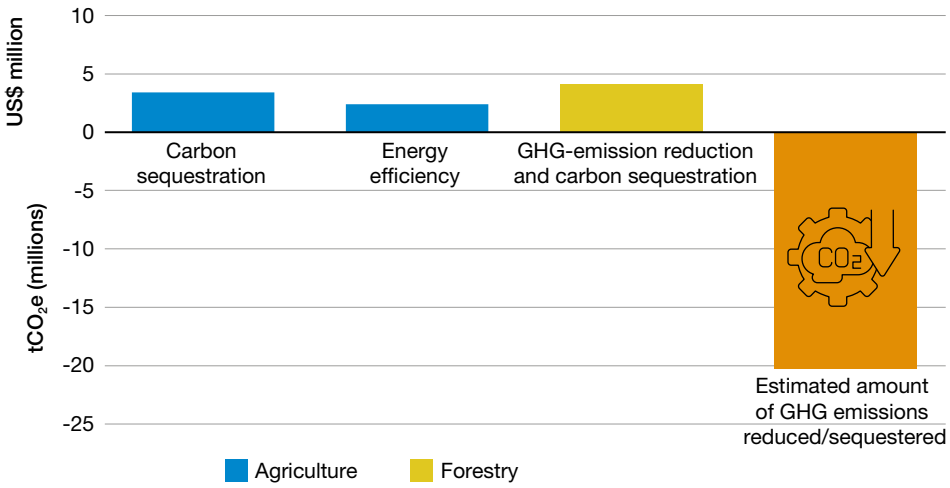


Figure 10. IFAD climate change mitigation finance by multilateral development bank sector



Box 8. Note on climate finance tracking methodologies

IFAD uses the multilateral development bank (MDB) methodologies for tracking climate change adaptation and mitigation finance.[37] IFAD is actively involved in the MDB working groups on adaptation and mitigation finance tracking, ensuring consistency in how the methodologies are applied across institutions and providing technical inputs for the agricultural sector. Starting in IFAD12, IFAD has adopted the 2021 update of the mitigation finance tracking methodology.

As required by the MDB methodologies, the Fund's climate finance is calculated on an ex ante (forecast rather than results-based) basis at the project design stage, based on the budgets of project components, subcomponents and activities. IFAD also monitors climate and environment results achieved through dedicated environment and climate indicators during implementation, using resilience scorecard methodologies and impact assessments.

For IFAD12, a commitment was made for 90 per cent of projects to include activities that build climate-related adaptive capacity across multiple dimensions (e.g. increasing incomes, improved access to productive resources, empowerment of vulnerable groups). A project is considered to build adaptive capacities if at least 15 per cent of the IFAD investment is validated as adaptation climate finance. In 2022, the first year of IFAD12, 67 per cent of financing from PoLG was channelled to adaptive capacity. The actions that will be undertaken to increase the percentage of overall climate finance over the next two years are also expected to increase the percentage of finance for adaptive capacity so that it reaches the IFAD12 target.

The benefits of climate financing directed to small-scale farmers extend beyond climate change mitigation and adaptation. The activities and projects realized through climate finance also support socially inclusive sustainable rural development that can meet the needs of young people, women and poor communities facing food and nutrition insecurity. IFAD climate investments also support the Fund's social inclusion themes (gender, nutrition and youth).

37 For details of IFAD's use of the MDB methodologies, see IFAD, *Climate Action Report 2019* (Rome: IFAD, 2019), chapter 5, www.ifad.org/en/web/latest/story/asset/41461856; for more information on the MDBs and climate finance, see African Development Bank, Asian Development Bank, Asian Infrastructure Investment Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank Group, Islamic Development Bank, New Development Bank and World Bank Group, *2020 Joint Report on Multilateral Development Banks' Climate Finance* (2021), www.isdb.org/publications/2020-joint-report-on-multilateral-development-banks-climate-finance.

Box 9. The Nexus of Water, Food and Energy programme in Egypt

Many countries are adopting policies based on the growing body of evidence of the effectiveness of the multi-benefit approach to climate finance that IFAD has adopted. In 2022, in the run-up to COP27, the Government of Egypt launched the Nexus of Water, Food and Energy (NWFE) programme, an innovative and ambitious programme that includes nine projects with a total budget of US$14.7 billion. NWFE supports the country's first National Climate Change Strategy 2050.

IFAD has been selected to lead the food and agriculture pillar, and in this capacity will coordinate the development of Egypt's strategic vision for the agriculture sector and support the government in the mobilization of financial and technical resources for the food and agriculture pillar. The food pillar comprises five projects and has a combined total budget of US$3.35 billion for NWFE's first phase (2023-2030). So far, IFAD has managed to leverage approximately US$2 billion for the food pillar of NWFE with a coalition of partners including the Asian Infrastructure Investment Bank, the African Development Bank, the Islamic Development Bank, the French Development Agency, the European Bank for Reconstruction and Development, the European Investment Bank, the European Union, the International Finance Corporation and the World Bank.[38]

3.3 ASAP Trust Fund

In 2020, at the launch of the third "enhanced" phase of the Adaptation for Smallholder Agriculture Programme (ASAP+), a resource mobilization target of US$500 million was set. The programme's "enhancements" focus on addressing the climate change drivers of food insecurity by building the resilience of the most marginalized groups to a multitude of shocks and stressors. To date, the ASAP+ Trust Fund has received a total of US$62.7 million, with an additional US$29.5 million as receivable contributions, for a total of US$92.2 million.[39] In 2022, implementation began on the first project in the ASAP+ portfolio, the Amazon Sustainable Management Project (PAGES) (see box 10).

Box 10. Amazon Sustainable Management Project

In 2022, IFAD and the Government of the State of Maranhão in Brazil signed a financing agreement for the implementation of PAGES, the first project in the ASAP+ portfolio. With total financing of US$37 million, including US$17 million furnished through ASAP+, PAGES will contribute to stopping and reversing environmental degradation of the Amazonian Forest and is expected to result in a negative carbon balance of approximately 6 million t CO_2e. By focusing on integrated landscape management and the development of socially inclusive value chains that harness local and institutional capacity-building, PAGES will increase the resilience of 64,000 people in the State of Maranhão, which has the highest poverty and food insecurity rates in the country.

38 IFAD, "IFAD to lead the food pillar of Egypt's Nexus for Water, Food and Energy (NWFE)", 10 November 2022, www.ifad.org/en/web/latest/-/ifad-to-lead-the-food-pillar-of-egypt-s-nexus-for-water-food-and-energy-nwfe-.

39 The status of the ASAP Trust Fund is laid out in greater detail in IFAD, *Report on IFAD's Development Effectiveness 2022 (RIDE)* (Rome: IFAD, 2023), Annex VII, www.ifad.org/en/-/report-on-ifad-development-effectiveness-2022.

In 2023, disbursements will begin for three ASAP+ projects in East and Southern Africa:

- Ethiopia, Programme for Participatory Agriculture and Climate Transformation (PACT) ASAP+ financing: US$11.4 million Project webpage: www.ifad.org/en/web/operations/-/project/2000003447
- Malawi, Programme for Rural Irrigation Development (PRIDE) ASAP+ financing: US$7 million, with supplemental financing from the GEF Project webpage: www.ifad.org/en/web/operations/-/project/1100001670
- Niger, Family Farming Development Programme (ProDAF Diffa) ASAP+ financing: US$7 million Project webpage: www.ifad.org/en/web/operations/-/project/2000001810

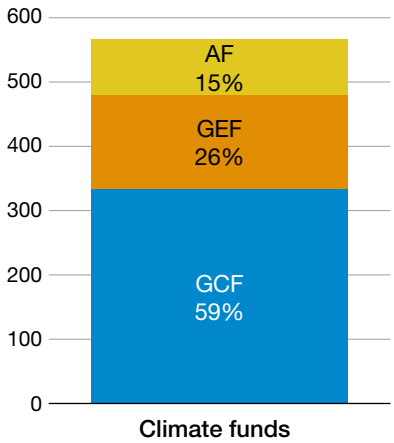
Another four projects are well along in the design stage and will be implemented in Burkina Faso, Lesotho, Somalia and Yemen. It should be noted that five of the seven projects in the ASAP+ pipeline will be carried out in countries in fragile and conflict-affected situations. This is in keeping with the IFAD12 commitment to enhancing IFAD's focus on addressing the drivers of fragility.

3.4 Supplementary environment and climate finance

In 2022, IFAD continued to increase the amount of supplemental financing it has mobilized. This increased mobilization was driven by greater cooperation with global climate and environment funds (the GCF, the GEF and the AF), which provided US$158.7 million in supplementary funds, accounting for 44 per cent of the supplemental financing. The largest proportion of funding from climate and environment funds came from the GCF.[40]

In its Strategy and Action Plan on Environment and Climate Change (2019-2025), IFAD committed to mobilizing an extra US$500 million in supplementary climate and environment finance by 2025, primarily from the GEF, the GCF and the AF. This target has already been reached and surpassed. As of December 2022, IFAD had mobilized US$455.5 million in supplementary climate finance from these three funds since 2019.

Figure 11. Supplementary climate finance mobilized in 2022



40 IFAD, *Overview of supplementary funds received, committed and used in 2022*. EB 2023/139/INF.2 (Rome: IFAD, 2023), https://webapps.ifad.org/members/eb/139/docs/EB-2023-139-INF-2.pdf.

3.5 Green Climate Fund

As of 2022, six projects implemented by IFAD had been approved for funding from the GCF since IFAD obtained accreditation with the Fund in 2016.[41] In 2022, the GCF approved the Inclusive Green Financing Initiative (IGREENFIN I) project, which is a large project that received a GCF grant of over US$114.7 million and leveraged an additional US$81.3 million. Details are given in table 3. There are currently 10 well-developed projects in the pipeline that will be submitted for GCF approval during the next replenishment cycle.

Table 3. Inclusive Green Financing Initiative (IGREENFIN I) projects approved in 2022

Greening Agricultural Banks and the Financial Sector to Foster Climate-Resilient, Low-Emission Smallholder Agriculture in the Great Green Wall (GGW) countries – Phase I	
IGREENFIN I is cross-cutting programme that gives local farmers, farmers' organizations, cooperatives and micro and small-sized enterprises better access to credit and technical assistance. This support helps them implement climate-resilient and low-emission agriculture and agroforestry. IGREENFIN I, which covers 11 countries in the Great Green Wall (Burkina Faso, Chad, Djibouti, Eritrea, Ethiopia, Mali, Mauritania, Niger, Nigeria, Senegal and Sudan), as well as Côte d'Ivoire and Ghana, will increase the coherence and complementarity of climate actions in Africa.	
Direct beneficiaries: 378,600	Indirect beneficiaries: 2,494,000
Negative carbon balance: 5.6 million tons of CO_2e	
Total GCF financing: US$114,757,515	**Total cofinancing: US$81,297,826**
GCF project web page: www.greenclimate.fund/project/fp183	

In 2022, the GCF, in partnership with IFAD, the Food and Agriculture Organization of the United Nations (FAO) and the Global Dairy Platform, approved US$3.5 million of project preparation funding to support the development of a regional public-private livestock sector programme for Kenya, Rwanda, the United Republic of Tanzania and Uganda. The GCF's grant contribution of US$1.1 million complements partner cofinancing. The objective is to develop a blended finance initiative to leverage US$400 million in financing to support the dairy systems in the region to embark on a sustainable development pathway that will lower emissions and increase the resilience of small-scale dairy producers.[42]

3.6 Global Environment Facility

As was noted in last year's Climate Action Report, during the seventh GEF replenishment (GEF7 – 2018-2022) there had been a reduction in the IFAD-GEF portfolio due to a number of factors, including the decision to prioritize building a portfolio with the GCF and the COVID-19 pandemic. However, a healthy pipeline for GEF projects was maintained during that period, and this resulted in a wave of new approvals in 2022.

41 For a complete list of GCF-approved projects, see IFAD, *Climate Action Report 2021* (Rome: IFAD, 2022), www.ifad.org/documents/38714170/46712027/car2021.pdf/001e75f5-2b97-4ea8-0776-b94fa10ce172?t=1669745231549.

42 GCF, "Pathways to dairy net zero: Promoting low carbon and climate resilient livestock in East Africa", 17 November 2022, www.greenclimate.fund/news/pathways-dairy-net-zero-p2romoting-low-carbon-and-climate-resilient-livestock-east-africa.

Box 11. GEF and the Food Systems Integrated Program

In the 63rd GEF Council Meeting in 2022, GEF Council members agreed that IFAD and the Food and Agriculture Organization of the United Nations (FAO) would lead the Food Systems Integrated Program for the GEF's 8th replenishment. The Food Systems Integrated Program will direct an estimated US$230 million in project grants to support countries to transform their agrifood systems to be more sustainable and to deliver global environmental benefits in conserving biodiversity, combating land degradation, mitigating and adapting to climate change and contributing to national food security. Project grants will be complemented by additional cofinancing. The Integrated Programme will build on the work that has been done through the Resilient Food Systems Programme (RFS), which had been funded through multiple trust funds under GEF6. IFAD has led the RFS hub coordination project, as well as 7 of the 12 country projects. Information on the results that have been achieved by the RFS is presented in chapter 4.

In 2022, approvals for implementation were obtained for seven new GEF projects. All of these GEF-financed projects have leveraged a significant amount of cofinancing (see table 4). The total amount of the GEF grants for these projects is US$32,283,750. The total amount of cofinancing that was leveraged is US$219 million.

Table 4. GEF project approvals 2022

2022	
Integrated Landscape Management Gambia (INLAMAG)	
To create an enabling environment for an integrated landscape approach in support of sustainable land management and the implementation of land degradation neutrality in The Gambia	
GEF project grant: **US$4,708,582**	Cofinancing total: **US$29,201,100**
Project details on the GEF website: www.thegef.org/projects-operations/projects/10572	
Improving biodiversity mainstreaming in the agroforestry and fishery sectors in São Tomé and Principe	
To mainstream biodiversity conservation into agroforestry and fishery production and management and minimize the negative impacts on biodiversity caused by the development of the agroforestry and fishery sectors, while enhancing the contribution of ecosystem services to livelihoods in São Tomé and Príncipe	
GEF project grant: **US$3,543,379**	Cofinancing total: **US$11,633,805**
Project details on the GEF website: www.thegef.org/projects-operations/projects/10570	
Regeneration of Livelihoods and Landscapes (ROLL) in Lesotho	
Rural communities transform their landscapes and livelihoods by adopting sustainable land management practices, leading to enhanced flow of agroecosystem goods and services, climate change resilience and household income diversification.	
GEF project grant: **US$3,502,968**	Cofinancing total: **US$40,694,307**
Project details on the GEF website: www.thegef.org/projects-operations/projects/10723	

Table 4. GEF project approvals 2022 *continued*

Strengthening integrated approaches to build climate resilience of vulnerable rural communities and agricultural production systems in the central region of Segou in the Republic of Mali	
To reduce the vulnerability of communities in the central region of Segou (Mali) to the risks posed by climate change through the adoption of climate-smart agro-sylvo-pastoral and fish farming practices	
GEF project grant: **US$1,776,484**	Cofinancing total: **US$31,170,000**
Project details on the GEF website: www.thegef.org/projects-operations/projects/10823	
Niger – Promoting Sustainable Agricultural Production and Conservation of Key Biodiversity Species through Land Restoration and Efficient Use of Ecosystems in the Dallol Bosso and Surrounding Areas (PROSAP/COKEBIOS)	
To strengthen national, regional and municipal capacity and actions to implement an integrated ecosystem management approach in the Dallol Bosso landscape in Niger	
Total project grant: **US$5,296,808**	
GEF grant: **US$2,420,096**	Cofinancing total: **US$70,388,966**
IFAD grant: **US$2,876,712**	
Project details on the GEF website: www.thegef.org/projects-operations/projects/10420	
Kenya – Eldoret-Iten Water Fund for Tropical Water Tower Conservation	
To conserve globally significant biodiversity and protect the integrity and resilience of critical ecosystems and their services in the targeted water towers	
GEF project grant: **US$2,630,139**	Cofinancing total: **US$24,848,000**
Project details on the GEF website: www.thegef.org/projects-operations/projects/10209	
Yemen – Rural Adaptation in Yemen	
To improve farmland and rangeland productivity, food security, and soil and water conservation through the rehabilitation and sustainable management of climate-proof agriculture	
GEF project grant: **US$10,950,000**	Cofinancing total: **US$11,421,065**
Project details on the GEF website: www.thegef.org/projects-operations/projects/5174	

A number of projects are in the pipeline, with concepts approved for a global project to generate and use knowledge products to stimulate investments to support Parties to the United Nations Convention to Combat Desertification (UNCCD) to successfully implement the Abidjan Legacy Programme; a regional project to support Great Green Wall countries enhance their resilience to the impacts of climate change; and a national project in Cambodia to build adaptive capacity in agricultural value chains.

3.7 Adaptation Fund

IFAD has obtained funding from the AF for 14 projects. In 2022, two IFAD projects received approval for implementation from the AF (see table 5). The total grant amount for these two projects is US$15.9 million. The total financing received for all 14 AF projects is US$118 million.

Table 5. AF project approvals 2022

2022
Kyrgyzstan – Regional Resilient Pastoral Communities Project (ADAPT)
The project goal is to contribute to poverty alleviation in rural areas of the country through increased climate resilience, incomes and gender-sensitive growth in rural farming communities.
Grant amount: **US$9,999,313**
Project details on the AF website: www.adaptation-fund.org/project/resilient-pastoral-livelihoods-project-adapt/
Increasing Rural Communities' Adaptive Capacity and Resilience to Climate Change in Bandama Basin in Côte d'Ivoire
The project proposes the implementation of a set of concrete adaptation interventions targeting three profitable crop production systems (rice, cassava and cocoa) in the Bandama basin.
Grant amount: **US$6,000,000**
Project details on the AF website: www.adaptation-fund.org/project/increasing-rural-communities-adaptive-capacity-and-resilience-to-climate-change-in-bandama-basin-in-côte-divoire/

3.8 Conclusion

IFAD has laid out ambitious goals for climate financing. Just financing can bring transformative change to rural economies and build the resilience of the rural people who are the most vulnerable to the impacts of climate change and other shocks. Just financing requires a commitment from everyone to increase their contributions for climate action that supports impoverished rural communities. IFAD is setting an example in this regard. So far, we are yet to reach or set targets, but we are taking action to meet the commitments we made for IFAD12. However, as mentioned in the opening chapter, IFAD has also recognized that to meet its climate-focused investment ambitions, additional resources will be required. We hope that IFAD's Member States will keep this in mind during the IFAD13 replenishment consultation this year.

The success that IFAD is having in mobilizing supplemental financing from the GCF, the GEF and the AF and leveraging additional financing demonstrates that contributions to IFAD's resources can have a multiplier effect. IFAD uses its resources to catalyse effective collaborative action that can deliver a wide range of tangible benefits for vulnerable rural people.

Chapter 4: Delivering results

KEY POINTS

- Between 2020 and 2022, more than 90 per cent of IFAD's completed projects received ACC and ENRM ratings higher than 4 in IFAD's six-tier performance rating system – a percentage that exceeds IFAD12 targets.
- All of ASAP's output and outcome targets have been at least 75 per cent achieved, which is in line with the percentage of funds that have been distributed, and several targets have already been reached and surpassed.
- Studies indicate that IFAD's investment portfolio is a net carbon sink, with carbon sequestrations and GHG emissions reductions exceeding overall GHG emissions, with the overall negative carbon balance of more than 20 million t CO_2e.
- The Establishment of the Upper Tana Nairobi Water Fund (UTNWF) project in Kenya, a project implemented by IFAD as part pf the GEF-funded RFS programme, was the first water fund in Africa and has become a fully independent trust fund.
- IFAD11 impact assessments found that around 38 million IFAD beneficiaries have seen their resilience improve by at least 20 per cent. This number exceeds the IFAD11 target of 24 million people.

4.1 Introduction

Increasing climate financing within IFAD and mainstreaming climate action into its entire portfolio of projects and programmes ultimately serves to broaden and deepen the impact of IFAD's work to build resilience in vulnerable rural communities. This chapter briefly describes how IFAD has performed in delivering results to rural people. It provides a summary of IFAD's overall performance ratings for ACC and ENRM, and an overview of

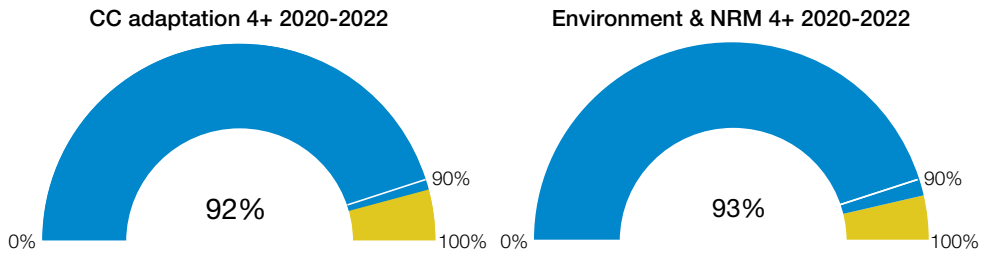
the ASAP's progress in reaching the targets set out in its results management framework. It also presents the results of an analysis undertaken to estimate the carbon balance of IFAD's entire investment portfolio. It looks at some notable accomplishments of the GEF-funded RFS programme. Finally, the results of the IFAD11 impact assessments related to IFAD's work to strengthen rural resilience are outlined briefly.

4.2 IFAD performance ratings

Performance ratings are an integral part of all IFAD annual supervision reports; they must be submitted for all projects that have been under implementation for more than six months. A six-tiered rating scale from 1 ("highly unsatisfactory") to 6 ("highly satisfactory") is used to measure performance in a number of areas, including ACC, ENRM and SECAP.[43]

Between 2020 and 2022, 92 per cent of IFAD's completed projects received an ACC rating of 4 (moderately successful) or higher. This represents an increase of 3 percentage points over the previous two-year period and surpasses the performance target set for IFAD12 (which was increased from 85 per cent to 90 per cent of completed projects receiving ACC ratings of 4 or higher). During the same period, 93 per cent of IFAD's completed projects received an ENRM rating of 4 or higher, which also represents an increase of 3 percentage points over the previous two-year period and exceeds the 90 per cent target for IFAD12 (see figure 12).

Figure 12. Percentage of projects receiving performance ratings of 4 or higher, 2020-2022



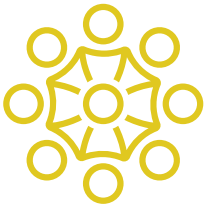
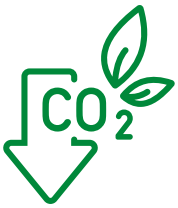
4.3. Tracking IFAD's environment and climate core indicators

Since the adoption of the IFAD's Environment and Climate Change Strategy and Action Plan (2019-2025) in 2109, IFAD has been tracking a set of environment and climate core indicators. Each of these indicators corelates to a Sustainable Development Goal (SDG) target. In 2022, 129 IFAD projects reported against these indicators. Table 6 presents the cumulative results achieved by 2022 and the IFAD12 target.[44]

43 A detailed description of the IFAD environment and climate performance ratings can be found in IFAD, *Climate Action Report 2020* (Rome: IFAD, 2021), chapter 4, www.ifad.org/documents/38714170/44171127/climate_action_report_2020.pdf/a20022b2-a4b3-fb3d-17f9-798e00e2ebb1?t=1636381265796.

44 These core indicators are also tracked in the annual Report on IFAD's Development Effectiveness (RIDE). See www.ifad.org/en/ride-report/.

Table 6. Environment and climate core indicators and IFAD12 targets

	Core indicator	IFAD12 period target (three-year target)	2022 status
	2.2.10 **Number of hectares of land brought** under climate-resilient management (millions)	1.9	**1.92**
	2.2.11 **Number of groups supported** to sustainably manage natural resources and climate-related risks	11 500	**10 380**
	2.2.12 **Number of households** reporting adoption of environmentally sustainable and **climate-resilient technologies and practices**	350 000	**237 700**
	2.2.13 **Number of tons** of **greenhouse gas emissions (t CO_2e) avoided** and/or sequestered (million tons of CO_2e over 20 years)	95	**20.2**

As can be seen from table 6, the IFAD12 target for the number of hectares of land brought under climate-resilient management has already been surpassed, and the target for the number of groups supported to sustainably manage natural resources and climate-related risks is close to being reached. Progress may need to accelerate to achieve the IFAD12 target for the number of tons of GHGs avoided and/or sequestered. However, the results of a carbon balance analysis of the entire IFAD portfolio, which is presented later in the chapter, also indicate that IFAD projects have a significant mitigation impact.

4.4 Adaptation for Smallholder Agriculture Programme results

Phase 1 (ASAP1)

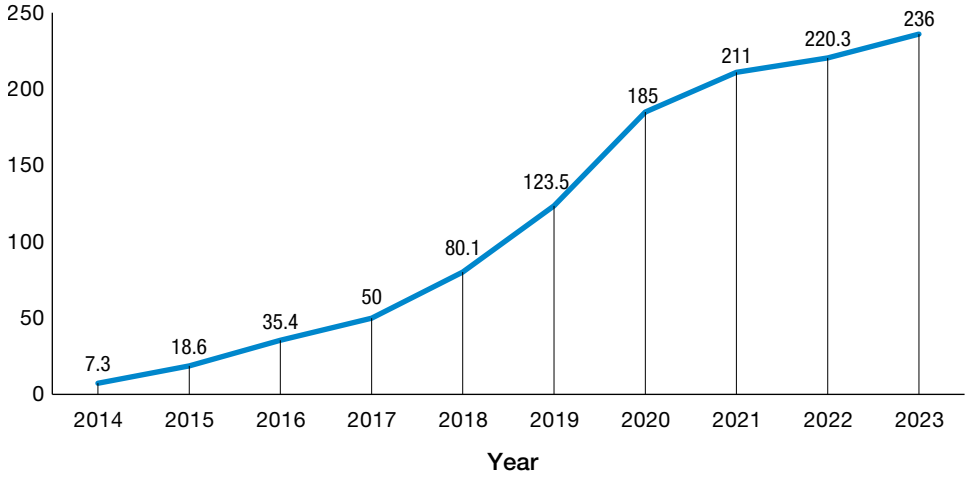
ASAP1 has financed 44 projects in 41 countries (with 2 projects each in Sudan, Côte d'Ivoire and Nigeria). So far, 19 projects have been closed and completed, and 24 are ongoing, all of which have reached their mid-term review. In 2022, six projects reached completion. The ASAP1 portfolio is set to reach completion in 2025.

Box 12. ASAP receives an A rating from the United Kingdom

In 2023, the United Kingdom, ASAP1's largest donor, accorded the programme an A rating (outputs and outcomes met expectations) in its Programme Completion Review. The UK report notes that ASAP had achieved substantial results in facilitating the adoption of climate-smart agricultural practices, increasing climate resilience and improving the livelihoods of small-scale farmers in target countries. According to the report, ASAP has several desirable characteristics of adaptation financing – for example, grant-based programmes that are co-designed and co-implemented by governments. The report also states that ASAP has been effective in leveraging additional finance and enhancing the potential for scaling up innovations.

Despite difficulties related to the slow recovery from COVID-19 and the impacts of the war in Ukraine, the disbursement of funds from ASAP1 has been strong (see figure 13). As of April 2023, 74.6 per cent of ASAP1 had been disbursed.

Figure 13. ASAP cumulative disbursements (as of April 2023)



All of ASAP's output and outcome targets are at least 75 per cent achieved and are in line with the rate of disbursement (see table 7). Indicators show that several ASAP targets have already been reached, including the number of poor smallholder household members whose climate resilience has been increased, which has surpassed 6.8 million, and the number of men, women and community groups engaged in climate risk management, ENRM or disaster risk reduction activities, which has reached almost 2 million. The target for the number of households with increased water availability has been surpassed by 20 per cent.

Table 7. Aggregate programme targets and results against the ASAP1 log frame

ASAP results hierarchy	ASAP results at global portfolio level		Portfolio results indicators	Programmed at design[45]	Results from RIDE 2022	Current results	Percentage achieved
Goal	Poor smallholder farmers are more resilient to climate change	1	Number of poor smallholder household members whose climate resilience has been increased	6 727 159	6 480 351	6 822 593	101%
Purpose	Multiple-benefit adaptation approaches for poor smallholder farmers are scaled up	2	Leverage ratio of ASAP grants versus non-ASAP financing	01:07.5	01:07.9	01:07.9	105%
		3	Number of tons of GHG emissions (CO_2e) avoided and/or sequestered	80 million t over 20 years (2012 target)	50 million t over 20 years	50 million t over 20 years	n/a
Outcome 1	Improved land management and gender-sensitive, climate-resilient agricultural practices and technologies	4	Number of hectares of land managed under climate-resilient practices	1 865 170 ha	1 205 077 ha	1 401 738 ha	75%
Outcome 2	Increased availability of water and efficiency of water use for smallholder agricultural production and processing	5	Number of households and production and processing facilities with increased water availability	4 443 facilities	4 263 facilities	4 323 facilities	97%
				288 903 households	308 416 households	351 283 households	122%
Outcome 3	Increased human capacity to manage short-term and long-term climate risks and reduce losses from weather-related disasters	6	Number of individuals (including women) and community groups engaged in climate risk management, ENRM or disaster risk reduction activities	1 926 889 people	1 926 652 people	1 955 221 people	101%
				25 374 groups	19 429 groups	19 654 groups	77%
Outcome 4	Rural infrastructure made climate-resilient	7	US$ value of new or existing rural infrastructure made climate-resilient	US$131 755 730	US$96 618 000	US$129 687 000	98%
				493 km	526 km	476	97%
Outcome 5	Knowledge on climate-smart smallholder agriculture documented and disseminated	8	Number of international and country dialogues on climate issues where ASAP-supported projects or project partners make an active contribution	36	33	34	94%

45 Currently expected to be achieved by December 2025, but subject to change depending on the evolving status of ASAP projects.

Enhanced Adaptation for Smallholder Agriculture Programme

ASAP+ has secured a total of US$83.7 million in contributions to date, along with an additional US$8 million in expected contributions over the coming months, summing up to US$91.7 million. This amount falls short of its overarching goal of US$500 million. The organization's primary focus is on the intersection of climate, conflict and fragility, particularly in the Sahel, Ethiopia, Somalia and Yemen. It is also lending support to innovative initiatives aligned with outcomes from COP26, COP27 and COP15. In the future, ASAP+ intends to further emphasize the connection between climate, biodiversity, gender and nutrition.

ASAP+ is dedicated to directing additional climate-related funds to novel ideas and mechanisms that can empower developing nations and bring about transformative change for marginalized communities who bear the brunt of the climate crisis. Notably, in the past year, four new projects were integrated into the portfolio, three of which were introduced through the CompensACTION initiative. This initiative, led by the German Federal Ministry for Economic Cooperation and Development (BMZ), puts EUR 15 million into the ASAP+ Trust Fund, allocated specifically for Brazil, Ethiopia and Lesotho. The CompensACTION effort seeks to drive compensation mechanisms for carbon and ecosystem services at scale, engaging stakeholders from policy, science and the private sector.

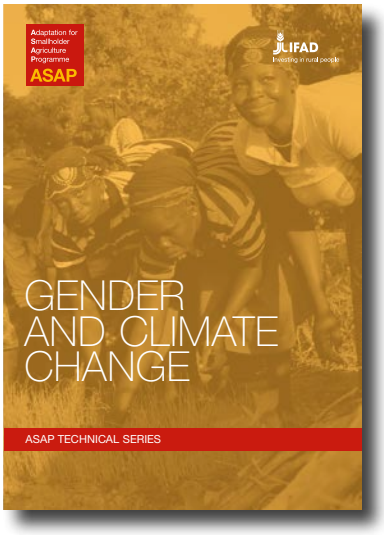
Table 8 illustrates the initial results framework for ASAP+, which is in its preliminary phases. The present targets have been derived from approved projects such as PRIDE (Malawi), Prodaf-Diffa (Niger), PACT (Ethiopia) and PAGES (Brazil). As 2023 unfolds, additional advancements will be made by incorporating targets from the remaining projects in the pipeline as they receive approval and commence implementation. This results framework will undergo further updates to encompass achievements in the forthcoming years as project implementation gains momentum across the portfolio.

Table 8. Aggregate programme results against the ASAP+ log frame (from PRIDE, PACT, PAGES, Prodaf-Diffa, A2R2, RLDP and the CompensACTION projects in Brazil, Lesotho and Ethiopia)

ASAP+ results hierarchy	ASAP+ results at global portfolio level		Portfolio results indicators	Programmed at design
Goal	Number of poor smallholder household members supported in coping with the effects of climate change (outreach):	1	Number of poor smallholder household members whose climate resilience has been increased	6 607 households 503 147 individuals
Outcome 1	Outcome Area 1. Increased resilience of vulnerable households to the impacts of climate change on their food security and nutrition, focusing particularly on rural women, youth and Indigenous Peoples	2	Number of persons/households reporting adoption of environmentally sustainable and climate-resilient technologies and practices **[CI 3.2.2]**	19 786 households 107 181 individuals
		3	Number of persons/households reporting a significant reduction in the time spent collecting water or fuel **[CI 3.2.3]**	8 313 households 47 235 individuals
Sub-outcome 1.1	Improved access to nutritious food and products from agrobiodiverse farming systems	4	Number of persons/households supported to increase the diversity of farmed species and varieties	3 000 individuals
Sub-outcome 1.2	Increased availability of water and efficiency of water use ` for smallholder agricultural production and processing	5	Number of persons/groups supported to sustainably manage natural resources and climate-related risks **[CI 3.1.1]**	11 724 groups
		6	Number of persons/households provided with climate information services	-
Sub-outcome 1.3	Scaled up climate-resilient land and natural resources management	7	Number of hectares of land brought under climate-resilient management **[CI 3.1.4/ASAP 4]**	513 244 ha
Sub-outcome 1.4	Climate-proofed services and infrastructure	8	Number of persons/households with increased water availability and/or efficiency for production purposes **[ASAP 5b, modified]**	2 763 households
		9	US$ value of new or existing rural infrastructure made climate-resilient **[ASAP 7a]**	US$26 million
		10	Number of kilometres of new or existing rural roads made climate-resilient **[ASAP 7b]**	10 km
Sub-outcome 1.5	Strengthened policy frameworks on climate-resilient smallholder agriculture	11	Number of existing/new laws, strategies, regulations or policies on climate change and the agriculture sector proposed to policymakers for approval, ratification or amendment	5
Outcome 2	**Reduced emissions from win-win interventions with significant development benefits, particularly for food-insecure and marginalized groups**	12	Number of tons of GHG emissions (CO_2e) avoided and/or sequestered **[CI 3.2.1]**	1 842 433 t
Sub-outcome 2.1	Increased availability of low-emissions development opportunities	13	Number of persons accessing technologies that sequester carbon or reduce GHG emissions **[CI 3.1.3]**	472 households
		14	Number of persons in new or existing green jobs	-

Box 13. ASAP: Gender and Climate Change

In 2022, as part of its Technical Series, ASAP published *Gender and Climate Change*. The study presents the results of an analysis of ASAP1 performance in promoting gender equality and women's empowerment across a selection of its portfolio over the period 2012-2020, and offers examples of good practice and lessons learned in mainstreaming gender within ASAP. The key messages of the study are:



ASAP Technical Series: Gender and Climate Change is available at www.ifad.org/en/web/knowledge/-/asap-technical-series-gender-and-climate-change-

- Most of the ASAP projects that had set a target for women's participation as direct beneficiaries at or close to 50 per cent have met their targets or are on track to do so, and taken as whole, ASAP1 appears to be on track to achieve its gender target.
- All projects reviewed integrated gender dimensions and benefit women to some extent.
- Almost all projects reviewed contributed to the objectives of IFAD's gender equality and women's empowerment policy.
- ASAP projects vary in the extent to which they integrate gender and adaptation to climate change, but the connection could be made stronger.
- Although targeting and inclusion of women is generally strong, and ASAP1 programme- level gender commitments are likely to have made a difference, despite these good practices, more can be done to better target young women and indigenous women and to engage men.

4.6 Resilient Food Systems programme

The RFS programme involves several agencies and is funded through multiple trust funds under GEF6. IFAD leads the hub coordination project, as well as 7 of the 12 country projects (Burkina Faso, Eswatini, Malawi, Niger, Senegal and the United Republic of Tanzania). RFS is one of three GEF-funded integrated approach pilot programmes that GEF is piloting to ensure that its financing is not confined to a single focal area but is invested coherently to promote synergies that can deliver multiple global environmental benefits, including improved climate change adaptation and mitigation.

2022 marked the fifth and final year of the RFS programme. Originally intended to close at the end of 2022, it was awarded a six-month, no-cost extension until 30 June 2023. Several RFS projects will continue for longer.

As a whole, the RFS country projects engage over 4 million beneficiaries. The RFS country project implemented in Niger, the Family Farming Development Programme, has reached by far the most beneficiaries (over 2 million) and restored nearly 30,000 ha of previously

degraded land. As of 2022, nearly 340,000 ha of previously degraded land had been restored, which represents 79 per cent of the RFS target. However, the IFAD-implemented projects in Kenya and Burkina Faso have far exceeded their targets. It is estimated that nearly 22 million t CO_2e have been mitigated through RFS. While this is substantial, it represents only 39 per cent of the target. Once again, the IFAD project in Kenya, the Establishment of the Upper Tana Nairobi Water Fund (UTNWF) project, has exceeded the mitigation target and has achieved many other notable accomplishments (see box 14).

Box 14. Upper Tana Nairobi Water Fund project

In Kenya, IFAD has been leading the Establishment of the Upper Tana Nairobi Water Fund (UTNWF) project. The project was the first water fund in Africa, and after the completion of the five-year RFS programme cycle, it has become a fully independent trust. Some of the key successes of the UTNWF project include:

- Over US$4 million of private sector investments mobilized to support conservation work
- 8,500 farms supported to obtain Rainforest Alliance certification for Arabica coffee
- 33 river gauging stations continuously log data at 30-minute intervals to inform decision-making
- Five permanent monitoring sites established for assessing land health using the Land Degradation Surveillance Framework.

The UTNWF project has directly benefited 40,000 small-scale farmers and put over 77,000 ha of farmlands under sustainable land management. The project has promoted agroforestry, conserved riparian lands and protected wetlands. Over 3.6 million trees have been planted in the watershed, nearly 1,000 km of grass strips were established, and over 300 km of riparian buffers were established in the watershed. As a result of these actions, the UTNWF has reported an additional 42 million litres flowing into the Thika Dam. Sedimentation and turbidity have been reduced, which has reduced the treatment costs downstream by the water utility and lowered energy costs for residents. These activities have also improved the crop yields and livelihoods, with about half of the beneficiaries in the watershed recording increased agricultural yields.

An EX-ACT analysis estimates that these interventions have sequestered about 5.8 million t CO_2e, far exceeding the design target of 1.6 million t CO_2e.

The Nature Conservancy (TNC) partnership is one of the UTNWF's founder trustees, and after a competitive nomination process, the UTNWF project was selected among the best-performing programmes of the water funds that the TNC has supported. The UTNWF has worked closely with the Eldoret-Iten Water Fund, a new GEF-funded and IFAD-implemented project in Kenya, which was approved for implementation in 2022.[46]

46 Information taken from the UTNWF Project Implementation Report (PIR) 2022, and Resilient Food Systems Programme Highlights 2022, available at: https://knowledgecentre.resilientfoodsystems.co/assets/resources/pdf/rfs_annual-report-2022_landscape_28_04_23-(1).pdf.

4.4 Carbon balance analysis of IFAD projects

In 2022, as part of the ASAP Technical Series, IFAD published *Paris Alignment - The Greenhouse Gas Accounting Analysis for IFAD's investment portfolio in the AFOLU sector*.[47] The report presents the findings of a study on the likely impact of IFAD projects on carbon stock changes and GHG emissions. In the desk-based study, 27 randomly selected projects were analysed, using the EX-ACT carbon balance tool,[48] to calculate an estimate of their potential impact on GHG emissions and carbon stock changes.[49] The results from the representative sample were extrapolated to produce an estimate of the carbon balance of the entire IFAD portfolio of ongoing projects that have passed their mid-term review (see box 15).

Box 15. Determining the carbon balance results of IFAD's portfolio

All the selected projects that were analysed in the IFAD GHG accounting had received funding from at least one source in addition to IFAD. After the total GHG impact of each project was established, the proportion attributable to IFAD was calculated by multiplying the project carbon balance by IFAD's percentage contribution to the total funding amount. The final extrapolation consisted of multiplying the aggregated regional carbon balance for the sample regions with a "financing multiplier", which represents the total amount of IFAD financing for ongoing projects in that region divided by the total amount of financing for the sample projects in that region.

The findings indicate that the sampled IFAD projects had a negative projected carbon balance of 7,867,938 t CO_2e over a 20-year period. When extrapolated to IFAD's current portfolio of ongoing projects, this translates to a mitigation potential of 20,536,334 t CO_2e. IFAD's investment portfolio can be considered a net carbon sink, with carbon sequestrations and GHG emissions reductions exceeding overall GHG emissions. Because the carbon balances were calculated over a 20-year period, this accounting presents a "snapshot" of the impact of IFAD's current investment and an extrapolation of this snapshot into the next 20 years.

These results are likely to underestimate the carbon balance of more recent IFAD projects, because the projects sampled were older and less climate-focused than newer ones. Also, many projects reported additional activities that will likely have an impact on climate change mitigation but had not collected enough information on these activities at the time of analysis.

The largest mitigation potential came from East and Southern Africa (ESA), with a balance of -3,909,790 t CO_2e (see figure 14). This region only had the second highest

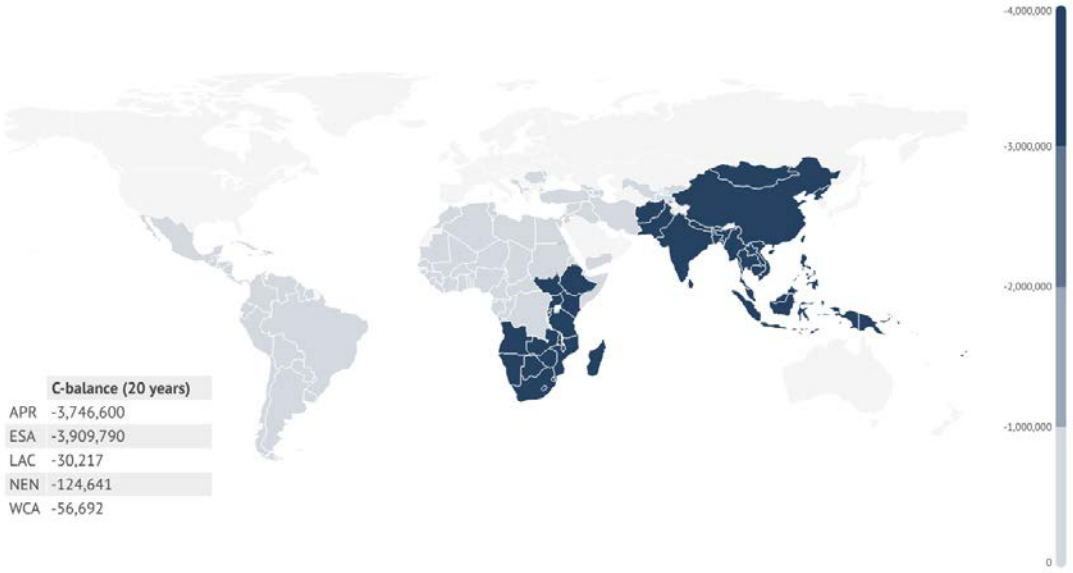
47 IFAD, *Paris Alignment - The Greenhouse Gas Accounting Analysis for IFAD's investment portfolio in the AFOLU sector* (Rome: IFAD, 2022), www.ifad.org/documents/38714170/41937469/paris-alignment.pdf/7a248b90-e885-016d-1172-163a584d2384?t=1676560374052.

48 EX-ACT is a tool developed by the FAO that provides ex ante measurements of the climate mitigation impact of development projects in the agriculture, forestry and other land use (AFOLU) sector. It estimates the net GHG balance from GHG emissions and carbon sequestration and is in line with the internationally endorsed IPCC 2006 Guidelines for National Greenhouse Gas Inventories. EX-ACT is a land-based accounting system, measuring carbon stocks, stock changes per unit of land, and methane (CH_4) and nitrous oxide (N_2O) emissions expressed in tons of carbon dioxide equivalent (t CO_2e). For more information on EX-ACT, see www.fao.org/in-action/epic/ex-act-tool/suite-of-tools/ex-act/en/.

49 The carbon balance estimates for some of the individual projects were presented in last year's Climate Action Report.

number of sampled projects, so it appears to offer a good return on IFAD investments in terms of climate change mitigation. The Asia and Pacific region (APR) had a similar mitigation potential, with a total of -3,746,600 t CO_2e. These two regions accounted for almost all (97 per cent) of the total mitigation potential of the sample. The Near East, North Africa, Europe and Central Asia (NEN), which only had three projects in the sample group, had a balance of -124,641 t CO_2e. Western and Central Africa (WCA) had a balance of -56,692 t CO2e. Latin America and the Caribbean, which only had two projects in the sample group, had a balance of -30,217 t CO_2e.

Figure 14. Carbon balance by IFAD region



Stories from the field on GHG emissions reduction and climate mitigation

Cambodia

The Agriculture Services Programme for Innovation, Resilience and Extension (ASPIRE) (2014-2022) was implemented to promote climate mitigation strategies for smallholder farmers who are highly dependent on rainfed agriculture and lack access to irrigation systems, technology and equipment, to help them cope with the effects of a hotter, less predictable and more extreme climate. ASPIRE introduced extension services to enhance the profitability and resilience of the smallholders' farm businesses, including through the adoption of renewable energy technologies, such as solar pumps and solar-powered incubators.

©IFAD/Joanne Levitan

Results: A total of 1,274 biodigester plants contributed to the displacement of chemical fertilizers by bio-slurry and reductions of emissions from animal waste totalling 8,223 t CO_2e. The EX-ACT analysis conducted for the project indicated a reduction of 1.1 million t CO_2e over 20 years.

Burkina Faso

©IFAD/Aubrey Wade

The Participatory Natural Resource Management and Rural Development Project in the North, Centre-North and East Regions (2012-2023) aims at improving the living conditions and incomes of almost 200,000 poor rural households in Burkina Faso by strengthening climate mitigation activities to increase resilience through sustainable land development. The project focused on intensifying, diversifying and adapting practices for large-scale transformation of agroecosystems in the target area through tree-planting. The project planted 84,928 trees across the three intervention regions, and was able to provide participants with plants and seeds adapted to the region, to reduce erosion and desertification.

Results: The plantings were planned to contribute to a reduction in CO_2 emissions of 1,730,631 t. This represents a significant contribution of 12.57 per cent of Burkina Faso's commitments under the Paris Agreement. As of 2022, the carbon sequestration potential was calculated as 2,669,198 t CO_2e.

4.7 Impact assessments

In 2022, IFAD published the findings of its impact assessments for IFAD11, which assess how well IFAD is doing at reaching the strategic objectives laid out in its Strategic Framework (2016-2025), including strategic object 3: "strengthening the environmental sustainability and climate resilience of poor rural people's economic activities".[50] Twenty-four of the 96 projects that closed during IFAD11 were selected for impact assessment. Overall, the assessments found that around 38 million IFAD beneficiaries have seen their resilience improve by at least 20 per cent. This number exceeds the IFAD11 target of 24 million people.

One of the key lessons learned about building resilience that emerged from the IFAD11 impact assessments is that a holistic and effective approach to resilience requires different sets of tools to deal with acute versus chronic shocks. Climate change is intensifying the frequency and intensity of both types of shocks. Future projects need to combine new and innovative tools to prevent, manage and cope with local shocks. This can include adaptation strategies for chronic shocks (e.g. building assets, adopting new varieties that are better adapted to changing conditions), as well as acute and more extreme shocks, such as typhoons, hurricanes or droughts, which require coping strategies (e.g. social safety nets, insurance, savings and access to credit).

Preliminary findings from the impact assessments for six of the seven ASAP projects that were included in the IFAD11 impact assessments were presented in considerable detail in last year's Climate Action Report, and additional information can be found on the IFAD11 impact assessment microsite.[51] In 2022, in conjunction with the IFAD11 impact assessments, IFAD also published the information note, 'Generating evidence on Climate change adaptation through IFAD projects' (www.ifad.org/ifad-impact-assessment-report-2021/assets/pdf/climate-change-adaptation-note.pdf), which describes how information was generated and analysed in the ASAP project impact assessments.

4.8 Conclusion

The results presented in this chapter show that IFAD climate finance has made a significant contribution to realize its mission to transform rural economies by making them more inclusive, productive, sustainable and resilient. The success is due to the work that has been done to mainstream climate and environmental concerns into the entire IFAD portfolio. Mainstreaming deepens impact. Contributing to IFAD's resources can help us build on these encouraging results. More than that, it can broaden our understanding of what works best under specific conditions so that more public and private sector agencies can feel confident in investing in climate-focused action that can deliver similar results in rural areas in vulnerable countries.

50 IFAD, *IFAD11 Impact Assessment Report* (Rome: IFAD, 2022), www.ifad.org/ifad-impact-assessment-report-2021/assets/pdf/IFAD11-Impact-Assessment-Report.pdf.

51 The IFAD11 impact assessment microsite is available at www.ifad.org/ifad-impact-assessment-report-2021/index.html.

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Chapter 5: Mid-line review of the IFAD Environment and Climate Change Strategy and Action Plan

One of the primary functions of the annual Climate Action Report is to track the progress in implementing IFAD's Environment and Climate Change Strategy and Action Plan (2019-2025). The Strategy and Action Plan was explicitly called for in the IFAD11 consultation report to "underpin the strengthened approach to mainstreaming climate change and environmental sustainability". With IFAD11 completed and IFAD12 well under way, it is a good time to assess accountability and review our accomplishments at the mid-point of operationalizing the Strategy and Action Plan. This exercise is particularly important during the IFAD13 consultation in 2023, as it will be during IFAD13 that the next Strategy and Action Plan will be adopted.

Table 9 presents the objectives, targets and outputs that were set out in the Results Management Framework for the Strategy and Action Plan, and briefly summarizes the results that have been achieved to date. This table, which includes some of the information presented in earlier chapters, presents an at-a-glance overview of the results that have been achieved in mainstreaming climate and environment into IFAD's activities.

Table 9. Results Management Framework for the IFAD Environment and Climate Change Strategy and Action Plan (2019-2025) and results

Objective: More sustainable and resilient livelihoods for poor rural people	
Targets for 2025	**Results**
100 per cent of COSOPs include NDCs analysis	Since the first year of implementation of the Strategy and Action Plan, all country strategies have included an NDCs analysis.
US$500 million mobilized for environment and climate change	Between 2019 and 2022, IFAD mobilized US$493.5 million from the AF, the GCF and the GEF. Since 2019, US$92.8 million has been mobilized for the Trust Fund for the second phase of ASAP and ASAP+, which began in 2021.
95 per cent of projects rated on CCA obtain a performance score of 4 or above at mid-term review	As of 2022, 92 per cent of projects had a CCA rating score of 4 or higher, exceeding the IFAD12 target of 90 per cent. The percentage has been trending steadily upwards since 2019.
95 per cent of projects rated on ENRM obtain a performance score of 4 or above at mid-term review	As of 2022, 93 per cent of projects had an ENRM rating score of 4 or higher, exceeding the 90 per cent IFAD12 target. The percentage has been trending steadily upwards since 2019.
Action area 1: Outreach and engagement	
Output: • A comprehensive, organization-wide approach to policy engagement and outreach contributes to more effective programming, policy dialogue, stakeholder awareness, partnership building, and environment and climate change integration	
Indicator	**Results**
Number of concrete environment and climate-related policy deliverables produced through national, regional and global engagement that create an enabling environment for climate-focused work (policy papers, joint advocacy, events, media briefings, etc.)	As of December 2022, IFAD had prepared 97 climate-related knowledge products, including briefing notes, research reports, learning notes, how-to-do guides, blog posts and articles, learning events and communities of practice. The list of publications from 2022 and 2023 in this report gives an indication of the constant flow of climate-related knowledge and information materials that IFAD has produced.
Number of national, regional and global climate-related policy-influencing events that enhance IFAD's visibility (presenting, facilitating, chairing, hosting, etc.)	Since 2019, 10 major forums have seen meaningful engagement from IFAD on the environment and climate change.
Number of strategic partnerships developed and maintained	12 strategic partnerships have been developed or strengthened since 2019.

Table 9. Results Management Framework for the IFAD Environment and Climate Change Strategy and Action Plan (2019-2025) and results *continued*

Action area 2: IFAD as a catalyst for advocacy, partnerships and knowledge management				
Output: • Mainstreaming and results tools developed and shared; best practices towards greater results scaled up and expanded; Rome-based agencies pilot projects established, identifying and developing best practices for collaboration at the country level; lessons learned integrated into IFAD's regular operations and country systems				
Indicator	**Results**			
100 per cent results-based COSOPs and country strategy notes with NDCs priorities	Since the first year of implementation of the Strategy and Action Plan, all country strategies have included an NDCs analysis.			
Number of groups supported to sustainably manage natural resources and climate-related risks (SDG 2.4)	**IFAD core indicator**[52]			
	Baseline	End 2021	IFAD11 target	IFAD12 target
	7 700	46 370	10 000	11 500
Number of persons accessing technologies that sequester carbon or reduce GHG emissions (SDG 7.1)[53]	**IFAD core indicator**			
	Baseline	End 2021		IFAD11 target
	81 200	182 500		120 000
Number of persons/households adopting environmentally sustainable and climate-resilient technologies (SDG 13.1)	**IFAD core indicator**			
	Baseline	End 2021	IFAD11 target	IFAD12 target
	n/a	220 550	300 000	350 000
Number of hectares of land under climate-resilient management (SDG 2.4)	**IFAD core indicator**			
	Baseline	End 2021	IFAD11 target	IFAD12 target
	1.2 million	1.8 million	1.5 million	1.9 million
Millions of tons of GHG emissions (CO_2e) avoided and/or sequestered (over 20 years) (SDG 13.1)	**IFAD core indicator**			
	Baseline	End 2021	IFAD11 target	IFAD12 target
	-30 million	-112 million		-95 million

52 Results for IFAD core indicators are presented in IFAD, *Report on IFAD's Development Effectiveness (RIDE) 2022* (Rome: IFAD, 2022), www.ifad.org/en/-/report-on-ifad-development-effectiveness-2022.

53 This indicator is not included in the Results Management Framework for IFAD12.

Table 9. Results Management Framework for the IFAD Environment and Climate Change Strategy and Action Plan (2019-2025) and results *continued*

Action area 3: Refinement of the SECAP				
Output: • Updated social, environmental and climate change assessment supports the design and implementation of programmes that not only avoid or mitigate risk but also generate environmental and climate-related benefits for smallholders and poor rural people, reflecting a continuous learning approach				
Indicators	**Results**			
	2019	**2020**	**2021**	**2022**
Number of IFAD-financed projects with high climate risk significantly reduced	26 out of 38 (68%)	15 out of 23 (65%)	18 out of 29 (62%)	4 out of 15 (27%)
Number of IFAD-financed projects with high environmental and social risk significantly reduced	5 out of 38 (13%)	2 out of 23 (9%)	3 out of 29 (10%)	3 out of 15 (27%)
Number of IFAD-financed projects with a high environmental, social and climate risk rating and unsatisfactory SECAP compliance (rated 3 or below during implementation) significantly reduced	1 out of 38 (3%)	1 out of 23 (4%)	1 out of 29 (3%)	n/a
Number of IFAD-financed projects (regardless of their environmental, social and climate risk) with unsatisfactory SECAP compliance (rated 3 or below during implementation) significantly reduced	5 out of 38 (13%)	2 out of 23 (9%)	1 out of 29 (3%)	n/a

Action area 4: Staff training and continuous improvement	
Outputs: • Strengthened environment and climate components of IFAD's Operations Academy and induction course curricula • Field-based environment and climate change learning opportunities offered to all staff, especially project management units • In-house learning, professional development and external networking roles and opportunities for IFAD's environment and climate change specialists developed	
Indicators	**Results**
Number of IFAD technical staff in place to support mainstreaming of environment and climate change issues into IFAD's portfolio	Ongoing
Number of environment and climate change awareness sessions organized for IFAD staff	Several training and awareness-raising sessions have been organized each year, including Operations Academy days. Additionally, e-learning modules have been developed within the learning management system.

Table 9. Results Management Framework for the IFAD Environment and Climate Change Strategy and Action Plan (2019-2025) and results *continued*

Action area 5: Learning and horizon scanning	
Outputs: • Lessons learned on effective approaches to integrating environmental sustainability and climate resilience compiled and disseminated (drawn from ASAP, the GEF, IFAD grants and other programmes) • IFAD country programme managers and environment and climate specialists linked with their counterparts in other United Nations agencies, including the Rome-based agencies, multilateral financial institutions and regional organizations, through regional-level environment and climate learning networks • South-South exchange and learning platforms for country management units established (potentially including study tours and exchanges) • Emerging environment and climate-related issues affecting smallholders' livelihoods identified through horizon-scanning processes at the global and regional levels, and used to inform IFAD's biennial Rural Development Report	
Indicators	**Results**
Number of projects reporting on core environment and climate change indicators	In 2022, 189 projects under implementation reported against IFAD core environment and climate change indicators. Other projects also reported against ASAP, GEF, GCF and project management unit indicators.
Number of knowledge products developed to support environment and climate change-sensitive project design implementation, monitoring and evaluation, and policy engagement	As of December 2022, IFAD had prepared 97 climate-related knowledge products, including briefing notes, research reports, learning notes, how-to-do guides, blog posts and articles, learning events and communities of practice.
Dissemination strategy promoting uptake of research and other knowledge products	All the knowledge management materials produced by the environment and climate change cluster follow IFAD's corporate communications and advocacy strategy.
Action area 6: Resource mobilization	
Outputs: • US$500 million secured in climate and environment financing from diverse multilateral, bilateral and domestic sources • US$100 million secured for ASAP2 and ASAP+, which provides technical support and opportunities for piloting and demonstration • At least 25 per cent of IFAD's PoLG allocated to climate-focused activities in IFAD11, and at least 35 per cent in IFAD12 • Financing secured for joint projects with other Rome-based agencies	
Indicators	**Results**
Millions of US dollars mobilized for environment and climate financing	• Between 2019 and 2022, IFAD mobilized US$493.5 million from the AF, the GCF and the GEF. • Since 2019, US$92.8 million has been mobilized for the Trust Fund for the second phase of ASAP and ASAP+, which began in 2021. • During IFAD11, the percentage of PoLG that was allocated to climate-focused activities stood at 35 per cent, exceeding the target by 10 per cent. In 2022, the percentage fell to 30 per cent, and IFAD is currently not on track to meet the IFAD12 climate finance target, which was increased to 40 per cent from 25 per cent.
MDB methodology to track climate finance	IFAD has been using the MDB methodology to track climate adaptation and mitigation finance since 2019.

What to expect in the next Climate Action Report

Updates on new IFAD12 targets and preparations for IFAD13

The 2023 Climate Action Report will provide insights into the progress we are making to achieve the new climate finance targets set for IFAD12. Specifically, we will look at the new targets that will be set for IFAD13 where increased emphasis will be placed on targeting for nutrition and the promotion of diversified local food production, value addition and consumption.

Support for the Global Methane Pledge

Next year's Climate Action Report will also look at IFAD's contribution to the Global Methane Pledge. Over 150 countries have committed to the initiative, aiming to collectively reduce global methane emissions by at least 30 per cent by 2030. In 2023, IFAD will prepare a guidebook to support countries that require assistance in developing appropriate strategies to achieve their methane reduction goals. The guidebook will help countries integrate methane emissions reductions into their NDCs; incorporate methane reduction into national planning, budgeting and public investments procedures; and facilitate a pipeline of viable interventions focused on methane reduction in the agriculture sector and food systems.

Resilience monetization: Unlocking private sector financing for adaptation

The next edition of the Climate Action Report will also provide updates on how IFAD has increased the engagement of the private sector in its projects and programmes for building resilience – for example, in the new GEF Food Systems Integrated Program. Updates will also be given on the work that IFAD is doing in collaboration with the Egyptian Ministry of International Cooperation (MoIC) to develop a conceptual framework for monetizing resilience. The successful monetization of resilience requires carefully structured financial instruments to provide incentives to private sector investors, international organizations, third-party verifiers, community-based organizations, farmers and purchasers of agricultural products. The collaboration with the MoIC is a work in progress and will require further studies on the approach and methodology, pilot-testing, and eventual implementation under the guidance of an advisory group. IFAD and the MoIC have co-led the design, and a select advisory group comprising representatives from developing countries, non-state actors from the Global South, development partners, philanthropies, multilateral entities and other United Nations organizations will be established. The formal launch of the concept is planned for the UNFCCC's COP28 in the United Arab Emirates.

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Regional snapshots

Asia and the Pacific (APR)					
IFAD financing					
Total approved IFAD finance		Climate finance		Climate finance as percentage of total IFAD finance	
US$163 million		US$39 million		24%	
SECAP climate risk classification					
Number of projects	n/a	Low	Moderate	Substantial	High
24	-	-	17	5	2
ASAP projects					
Total projects – 6		Completed – 2		Ongoing – 4	

- Bangladesh – Climate Adaptation and Livelihood Protection Project
- Bhutan – Commercial Agriculture and Resilient Livelihoods Enhancement Programme (CARLEP)
- Cambodia – Agricultural Services Programme for Innovations, Resilience and Extension (ASPIRE)
- Lao People's Democratic Republic – Smallholders' Adaptation to Climate Change Component (SACCC)
- Nepal – Adaptation for Smallholders in the Hilly Areas (ASHA)
- Viet Nam – Project for Adaptation Climate
- Change in the Mekong Delta in Ben Tre and Tra Vinh Provinces (AMD)

Supplemental financing		
GEF projects – 2	GCF projects – 0	AF projects – 0
Estimated carbon balance of IFAD projects in the region over a 20-year period		
-3,746,600 t CO_2e		

Near East, North Africa, Europe and Central Asia (NEN)					
IFAD financing					
Total approved IFAD finance		Climate finance		Climate finance as percentage of total IFAD finance	
US$25 million		US$19million		76%	
SECAP climate risk classification					
Number of projects	n/a	Low	Moderate	Substantial	High
13	-	-	13	-	-
ASAP projects					
Total projects – 10		Completed – 2		Ongoing – 8	
• Djibouti – Programme to Reduce Vulnerability in Coastal Fishing Areas • Egypt – Sustainable Agriculture Investments and Livelihoods Project • Iraq – Smallholder Agriculture Revitalization Project • Kyrgyzstan – Livestock and Market Development Programme II • Republic of Moldova – Rural Resilience Project			• Montenegro – Rural Clustering and Transformation Project • Morocco – Rural Development Programme in the Mountain Zones – Phase I • Sudan – Butana Integrated Rural Development Project (BIRDP); Livestock Marketing and Resilience Programme • Tajikistan – Livestock and Pasture Development Project II		
Supplemental financing					
GEF projects - 2		GCF projects - 1		AF projects - 6	
Estimated carbon balance of IFAD projects in the region over a 20-year period[54]					
-124,641 t CO_2e Only three projects were included in the project sample analysed					

54 Results of a 2022 study of the overall trends and trajectory of IFAD's portfolio in terms of its impact on climate change mitigation over time, published in IFAD, *Paris Alignment - The Greenhouse Gas Accounting Analysis for IFAD's investment portfolio in the AFOLU sector* (Rome: IFAD, 2022), www.ifad.org/en/web/knowledge/-/paris-alignment-greenhouse-gas-accounting-analysis-for-ifad-investment-portfolio-in-the-afolu-sector?p_l_back_url=%2Fen%2Fweb%2Fknowledge%2Fpublications.

Latin America and the Caribbean (LAC)					
IFAD financing					
Total approved IFAD finance		Climate finance		Climate finance as percentage of total IFAD finance	
US$38 million		US$13 million		34%	
SECAP climate risk classification					
Number of projects	n/a	Low	Moderate	Substantial	High
11	-	2	7	2	-
ASAP projects					
Total projects – 6		Completed – 3		Ongoing – 3	

- Bolivia (Plurinational State of) – Economic Inclusion Programme for Families and Rural Communities in the Territory of the Plurinational State of Bolivia
- Brazil – Amazon Sustainable Management Project (PAGES)
- Ecuador – Project to Strengthen Rural Actors in the Popular and Solidarity Economy Project (FAREPS)
- El Salvador – National Programme of Rural Economic Transformation for Living Well (Rural Adelante)
- Nicaragua – Adapting to Markets and Climate Change Project (NICADAPTA)
- Paraguay – Project for Improved Family and Indigenous Production in the Departments of Eastern Paraguay

Supplemental financing		
GEF projects – 0	GCF projects – 2	AF projects – 0
Estimated carbon balance of IFAD projects in the region over a 20-year period		
–30,217 t CO_2e		
Only two projects were included in the project sample analysed		

East and Southern Africa

IFAD financing

Total approved IFAD finance	Climate finance	Climate finance as percentage of total IFAD finance
US$290 million	US$98 million	34%

SECAP Climate Risk Classification

Number of projects	n/a	Low	Moderate	Substantial	High
1	-	-	15	5	5

ASAP projects

Total projects – 12 | Completed – 2 | Ongoing – 10

- Burundi – Value Chain Development Programme – Phase II (PRODEFI-II)
- Comoros – Productivity and Resilience of Smallholder Family Farms
- Ethiopia – Participatory Small-scale Irrigation Development Programme – Phase II (PASIDP II); Programme for Participatory Agriculture and Climate Transformation (PACT) +
- Kenya – Kenya Cereal Enhancement Programme – Climate-Resilient Agricultural Livelihoods
- Lesotho – Wool and Mohair Production Project; CompensACTION, Regeneration of Landscapes and Livelihoods (ROLL)
- Madagascar – Project to Support Development in the Menabe and Melaky Regions – Phase II (AD2M-II)
- Malawi – Programme for Rural Irrigation Development
- Mozambique – Pro-Poor Value Chain Development Project in the Maputo and Limpopo Corridors
- Rwanda – Climate-resilient Post-harvest and Agribusiness Support Project
- Uganda – Project for Restoration of Livelihoods in the Northern Region

Supplemental financing

GEF projects – 5 | GCF projects – 2 | AF projects – 0

Estimated carbon balance of IFAD projects in the region over a 20-year period

-3,909,790 t CO_2e

West and Central Africa (WCA)					
IFAD financing					
Total approved IFAD finance		Climate finance		Climate finance as percentage of total IFAD finance	
US$324 million		US$78 million		24%	
SECAP Climate Risk Classification					
Number of projects	n/a	Low	Moderate	Substantial	High
43	2	29	10	2	2
ASAP projects					
Total projects – 11		Completed – 2		Ongoing – 9	

- Benin – Market Gardening Development Support Project
- Cabo Verde – Rural Socio-economic Opportunities Programme
- Chad – Project to Improve the Resilience of Agricultural Systems in Chad (PARSAT)
- Côte d'Ivoire – Support to Agricultural Production and Marketing Project – Western expansion
- The Gambia – Strengthening Climate Resilience of the National Agricultural Land and Water Management Development Project
- Ghana – Ghana Agriculture Sector Investment Programme (GASIP)
- Liberia – Tree Crops Extension Project (TCEP)
- Mali – Fostering Agricultural Productivity Project in Mali
- Mauritania – Inclusive Value Chain Development Project
- Niger – Family Farming Development Programme (ProDAF) in Maradi, Tahoua and Zinder Regions
- Nigeria – Climate Change Adaptation and Agribusiness Support Programme in the Savannah Belt

Supplemental financing		
GEF projects – 1	GCF projects – 3	AF projects – 6
Estimated carbon balance of IFAD projects in the region over a 20-year period		
-56,692 t CO_2e		

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IFAD climate and biodiversity-related publications (2022 to August 2023)

Publications

The IFAD-GEF Advantage III: An integrated approach for food systems, climate and nature
https://www.ifad.org/en/web/knowledge/-/the-ifad-gef-advantage-3

Mapping Rural Development: How to use GIS to monitor and evaluate projects
https://www.ifad.org/en/web/knowledge/-/mapping-rural-development-how-to-use-gis-to-monitor-and-evaluate-projects

Catalogue of Geospatial Tools and Applications for Climate Investments
https://www.ifad.org/en/web/knowledge/-/geospatial-tools-and-applications-for-climate-investments

Formulating a Climate Resilience Community Village Plan
https://www.ifad.org/en/web/knowledge/-/formulating-a-climate-resilience-community-village-plan

Climate-smart agriculture: A synthesis of experiences and lessons from the NEN region
https://www.ifad.org/en/web/knowledge/-/climate-smart-agriculture-a-synthesis-of-experiences-and-lessons-from-the-nen-region

Biodiversity Core Indicator – Comprehensive Guidance
https://www.ifad.org/en/web/knowledge/-/biodiversity-core-indicator-comprehensive-guidance

Agroecology: a holistic path towards sustainable food systems
https://www.ifad.org/en/web/knowledge/-/agroecology-a-holistic-path-towards-sustainable-food-systems

ASAP Technical Series: Gender and Climate Change
https://www.ifad.org/en/web/knowledge/-/asap-technical-series-gender-and-climate-change

IFAD Research Series

IFAD Research Series No. 92: Climate Change Mitigation in the East and Southern Africa Region: An Economic Case for the Agriculture, Forestry and Land Use Sector
https://www.ifad.org/en/web/knowledge/-/research-series-92

IFAD Research Series No. 89: Incorporating the Impact of Climate and Weather Variables in Impact Assessments: An Application to an IFAD Climate Change Adaptation Project in Viet Nam
https://www.ifad.org/en/web/knowledge/-/ifad-research-series-no.-89-incorporating-the-impact-of-climate-and-weather-variables-in-impact-assessments-an-application-to-an-ifad-climate-change-adaptation-project-in-viet-nam

IFAD Research Series No. 88: The Impact of Climate Change on Livestock Production in Mozambique
https://www.ifad.org/en/web/knowledge/-/ifad-research-series-no.-88-the-impact-of-climate-change-on-livestock-production-in-mozambique

IFAD Research Series No. 87: Incorporating the Impact of Climate and Weather Variables in Impact Assessments - An Application to an IFAD Grain Storage Project Implemented in Chad
https://www.ifad.org/en/web/knowledge/-/research-series-87-incorporating-the-impact-of-climate-and-weather-variables-in-impact-assessments-chad

IFAD Research Series No. 85: Financing climate adaptation and resilient agricultural livelihoods
https://www.ifad.org/en/web/knowledge/-/research-series-85-financing-climate-adaptation-and-resilient-agricultural-livelihoods

IFAD Research Series No. 72: Climate change and food system activities - a review of emission trends, climate impacts and the effects of dietary change
https://www.ifad.org/en/web/knowledge/-/research-series-72-climate-change-and-food-system-activities-a-review-of-emission-trends-climate-impacts-and-the-effects-of-dietary-change

Briefs

A task list for multilateral agencies: the possibilities of Bridgetown
https://www.ifad.org/en/web/knowledge/-/a-task-list-for-multilateral-agencies-the-possibilities-of-bridgetown

Policy brief: Low carbon and resilient livestock development in Kyrgyzstan
https://www.ifad.org/en/web/knowledge/-/low-carbon-and-resilient-livestock-development-in-kyrgyzstan

Free, Prior and Informed Consent: Applying the principle to on-the-ground action - Learnings from the Indigenous Peoples' Livelihoods and Climate Resilience Programme
https://www.ifad.org/documents/38714170/39135645/Policy_brief_FPIC_IFAD.pdf/d8a5d0a1-bf32-f218-5a85-62351b01ac08?t=1691397732055

COP27: A High-level Analysis of Proceedings
https://www.ifad.org/en/web/knowledge/-/cop27-a-high-level-analysis-of-proceedings-1

Outcomes and lessons learned from the Koronivia UNFCCC negotiations on agriculture and food security, and the way forward after COP27
https://www.ifad.org/en/web/knowledge/-/outcomes-and-lessons-learned-from-the-koronivia-unfccc-negotiations

Monetizing resilience benefits as a new financial tool to unlock private sector financing
https://www.ifad.org/en/web/knowledge/-/monetizing-resilience-benefits-as-a-new-financial-tool-to-unlock-private-sector-financing

IFAD Strategy and Knowledge Department Learning Note 1: How should we design for GCF?
https://www.ifad.org/en/web/knowledge/-/ifad-strategy-and-knowledge-department-learning-note-1

IFAD Briefing Note - Climate Finance: Scaling Investments in Climate Smart Agriculture
https://www.ifad.org/en/web/knowledge/-/climate-finance-scaling-investments-in-climate-smart-agriculture

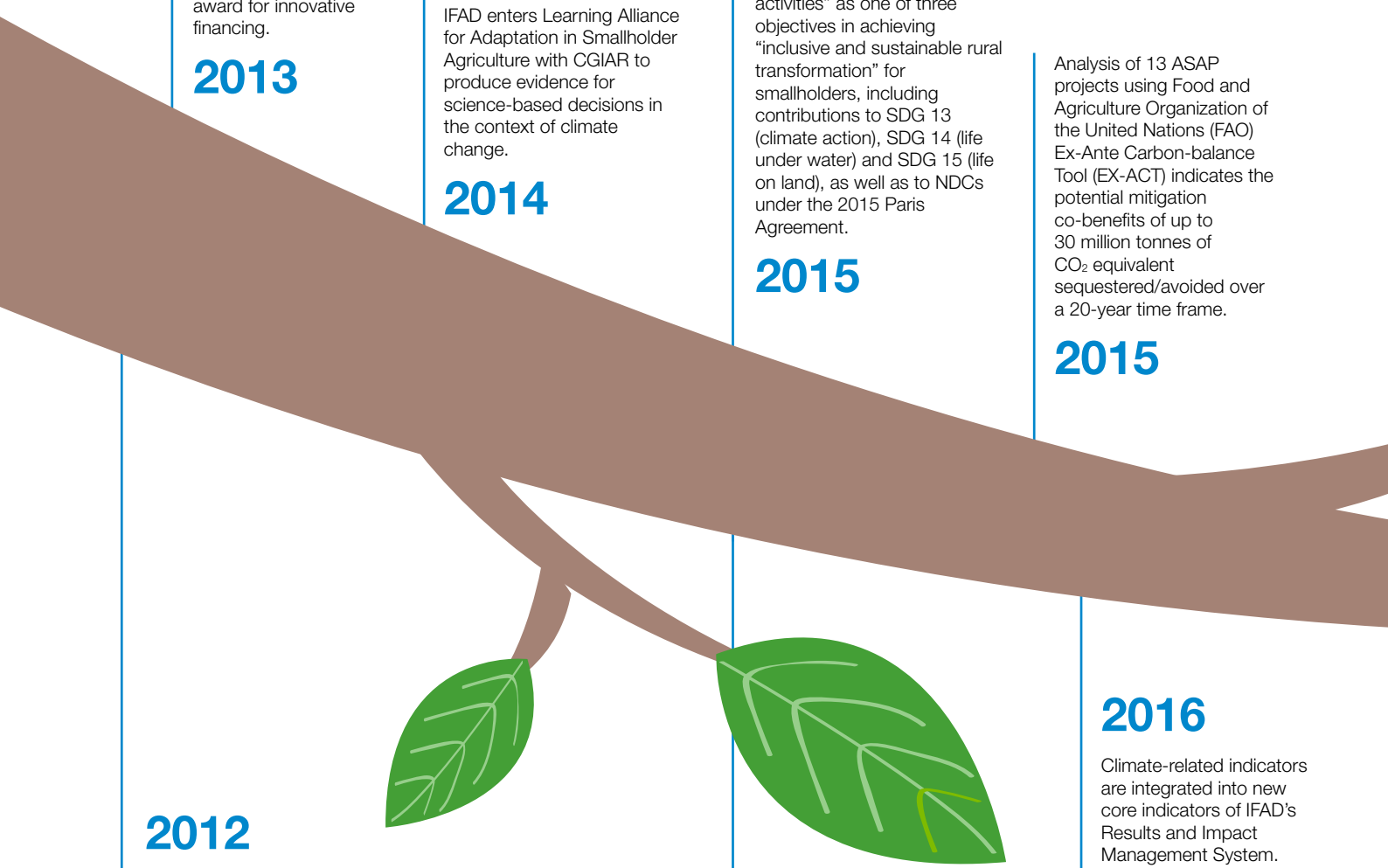
IFAD Briefing Note - Climate and Conflict: What does the evidence show?
https://www.ifad.org/en/web/knowledge/-/climate-and-conflict-what-does-the-evidence-show-duplicate

IFAD Briefing Note - Gender and Climate: Scaling Gender and Climate Investments
https://www.ifad.org/en/web/knowledge/-/gender-and-climate-scaling-gender-and-climate-investments

INSURED - Insurance for rural resilience and economic development
https://www.ifad.org/en/web/knowledge/-/publication/insured-insurance-for-rural-resilience-and-economic-development

Neglected and underutilized species are the key to nourishing the world
https://www.ifad.org/en/web/latest/-/neglected-and-underutilized-species-are-the-key-to-nourishing-the-world

HISTORY OF CLIMATE MAINSTREAMING IN IFAD



2012

Adaptation for Smallholder Agriculture Programme (ASAP) is launched with more than US$296 million programmed for 5.5 million smallholders, becoming one of the world's largest climate change adaptation programmes with a specific focus on smallholders.

2013

ASAP receives United Nations Framework Convention on Climate Change (UNFCCC) Momentum for Change Lighthouse Activity award for innovative financing.

2014

Social, Environmental and Climate Assessment Procedures (SECAP) replaces IFAD's Environmental and Social Assessment Procedures after rigorous review and consultation process.

IFAD approves the 10-point climate mainstreaming plan to deliver on IFAD's tenth replenishment (IFAD10) commitments to mainstream climate change into 100 per cent of project designs and COSOPs by 2018.

IFAD enters Learning Alliance for Adaptation in Smallholder Agriculture with CGIAR to produce evidence for science-based decisions in the context of climate change.

2015

IFAD's fifth Strategic Framework (2016-2025) adopts "strengthen the environmental sustainability and climate resilience of poor rural people's economic activities" as one of three objectives in achieving "inclusive and sustainable rural transformation" for smallholders, including contributions to SDG 13 (climate action), SDG 14 (life under water) and SDG 15 (life on land), as well as to NDCs under the 2015 Paris Agreement.

2015

IFAD appointed as lead agency for the five-year GEF Integrated Approach Programme (IAP) on Fostering Sustainability and Resilience for Food Security in Sub-Saharan Africa, a US$106.4 million (total cost US$911.7 million with cofinancing) multi-agency programme in 12 African countries.

2015

Analysis of 13 ASAP projects using Food and Agriculture Organization of the United Nations (FAO) Ex-Ante Carbon-balance Tool (EX-ACT) indicates the potential mitigation co-benefits of up to 30 million tonnes of CO_2 equivalent sequestered/avoided over a 20-year time frame.

2016

Climate-related indicators are integrated into new core indicators of IFAD's Results and Impact Management System.

IFAD is accredited to the Green Climate Fund.

2018-2021
IFAD's eleventh replenishment (IFAD11) commitments

Environment and Climate Division becomes Environment, Climate, Gender and Social Inclusion Division to intensify integrated mainstreaming.

Gender assessment and learning review of ASAP highlight corporate mechanisms and increased learning as key to making climate-sensitive projects transformative in terms of gender outcomes.

IFAD and Green Climate Fund sign an Accreditation Master Agreement, opening the door for IFAD to submit funding proposals.

Updated IFAD Strategy and Action Plan on Environment and Climate Change 2019-2025 to be approved by the IFAD Executive Board.

2018

2019-2025 IFAD's Strategy and Action Plan on Environment and Climate Change.

2019

2017

100 per cent COSOPs and CSNs screen for climate risks based on application of SECAP.

ASAP2 launched to help poor rural household members to cope with the effects of climate change through upstream technical assistance.

SECAP updated with more guidance and to integrate mainstreaming themes.

2022-2024
IFAD's twelfth replenishment (IFAD12) commitments

2022-2025 IFAD Biodiversity Strategy.

2022

2021

25 per cent of IFAD loans and grants to be "climate-focused".

24 million smallholders' resilience, including climate resilience, to be increased.

New SECAP guidelines applied from 2021.

2025-2027
IFAD's thirteenth replenishment (IFAD13) commitments

See major achievements.

2022

2024

28 million smallholders' resilience, including climate resilience, to be increased.

40 per cent of IFAD loans and grants to be "climate-focused".

The world needs to meet all 17 SDGs by

2030

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