



## IFAD and its Contribution to the Post-2020 Global Biodiversity Framework

### The Challenge

Biodiversity is deteriorating at an unprecedented rate, yet it is a cornerstone of healthy and sustainable food systems. The increasing demand for safe, healthy and nutritious food, combined with a growing global population, the escalating impact of climate change and disasters, and other external shocks are challenging the current paradigm of food production and consumption.

Around 70 per cent of the world's poor reside in rural areas and directly depend upon biodiversity for their well-being. For the rural poor, smallholder farmers and Indigenous Peoples, biodiversity and healthy ecosystems are essential for their survival and prosperity, ensuring food and nutrition security and helping them to adapt to a changing climate.

The role of small-scale producers is vital. As producers, small-scale farmers have the potential to increase the availability of diverse, sustainably produced, safe, healthy and affordable food, supplying local and national markets. As consumers, small-scale producers and their families often remain unable to access healthy and diversified diets.

### IFAD's Response

The interconnected challenges of biodiversity loss, climate change and land degradation are drivers of poverty and food insecurity. Rapid action is therefore needed to address these challenges. This is why in 2021, IFAD committed to channelling 30 per cent of its climate finance to support nature-based solutions in rural small-scale agriculture by 2030.

In December 2021, IFAD adopted its first **Biodiversity Strategy (2022-2025)** aiming to facilitate greater integration of biodiversity across its operations, through broadening knowledge on sustainable agriculture and landscape management practices for project implementers, as well as improving measurement of biodiversity across projects. Key actions of IFAD's Biodiversity Strategy are the roll out of a **Nature-based Solutions finance tracking methodology** and a **Biodiversity Core Indicator to measure biodiversity improvements at ecosystem-level**, which will become mandatory for relevant IFAD-supported projects from 2023. As the world strengthens its nature goals and builds new techniques to measure nature loss, IFAD places itself ahead of the curve in aligning its financial flows with a pathway towards the conservation, sustainable use and restoration of biodiversity.

Recognizing that it is possible to reverse land degradation, IFAD has strengthened its restoration efforts with initiatives such as the **Great Green Wall partnership**, combatting desertification in the Sahel, and focussed restoration of the flood-prone Haor Basin ecosystem in Bangladesh by planting over 213,000 swamp trees. Both people and animals have benefited from the increase in food yields and wild biodiversity these interventions provide. IFAD is also a partner of **the UN Decade on Ecosystem Restoration**.

## BOX 1. IFAD Intervention in favour of biodiversity on the ground

In Kenya, IFAD has helped established the Upper Tana-Nairobi Water Fund (UTNWF), a first-of-its-kind water fund in Africa. The UTNWF has worked with public- and private-sector partners, providing a sustainable financing mechanism to support integrated natural resource management approaches in the Upper Tana catchment. The UTNWF has mobilised funding from major downstream water users, including the private sector, public agencies and utility providers to support at least 21,000 smallholder households in upstream communities (around 100,000 individuals) adopt sustainable land management practices. The UTNWF has contributed to improving water quality for downstream users, while increasing food security and climate adaptation potential at household level.

**IFAD recognizes that marginalised people such as small-scale farmers, rural women, youth and Indigenous Peoples hold many of the solutions for healthier food systems and a healthier planet.** Despite this, these groups remain cut off from global decision making and finance while suffering most from the impacts of biodiversity loss, climate change, drought and other shocks. IFAD's comparative advantage lies in its unique mandate to specifically target these groups to transform agriculture, rural economies and food systems and facilitate the sustainable use and conservation of biodiversity and other natural resources. Indigenous Peoples manage a large share of the Earth's biodiversity. Through its Indigenous Peoples Assistance Facility (IPAF), IFAD provides grants for Indigenous Peoples to design effective and appropriate solutions in favour of biodiversity, based on their traditional values and knowledge of nature. Past IPAF grants have supported Indigenous youth and women restore community forests in the Democratic Republic of the Congo and enabled the Bakarwal community of Pakistan to enhance their access to markets. This year's IPAF call for project proposals specifically targets advancing Indigenous Peoples' conservation and sustainable management of biodiversity for adaptation and resilience to climate change.

**IFAD recognizes that international development agencies cannot close the US\$700 billion per year nature financing gap on their own.** Strategic partnerships are key to scaling up and accelerating investments and as a global assembler of finance, IFAD is ready to play its part. IFAD's enhanced Adaptation for Smallholder Agriculture Programme (ASAP+) is envisioned to be the largest fund dedicated to directing finance towards small-scale producers. As currently the vast majority of funding for biodiversity efforts flows only from public sources, there is a need for innovative financing mechanisms to increase private sector involvement. ASAP+ mitigates the risk involved in investing in sustainable agriculture and nature-based solutions by acting as a safety net, thereby incentivising private sector commitment. ASAP+ aims to mobilise US\$500 million of blended finance to support a variety of interventions to help smallholders adapt to the challenges of biodiversity loss, climate change and land degradation, while providing other benefits such as increased food and nutrition security.

**IFAD is also scaling up partnerships with financing entities such as the Global Environment Facility (GEF), the Green Climate Fund (GCF) and the Adaptation Fund (AF).** IFAD aims to mobilize up to US\$2 billion from these funds by 2027 and will work to ensure the integration of biodiversity into climate programming. As an implementing agency of the Global Environment Facility (GEF), IFAD has built a diversified GEF portfolio covering a wide range of activities related to biodiversity, sustainable land management and climate change adaptation and mitigation. IFAD GEF portfolio currently has under implementation 16 active projects in 15 countries, totalling nearly US\$120 million in GEF grants. IFAD also leads the GEF-6 Resilient Food Systems (RFS) Integrated Approach Programme, which contributes to transform food systems in 12 sub-Saharan African countries, and has reached to over 4.6 million beneficiaries including more than 1.5 million women. The RFS programme has influenced policies, policy instruments and regulatory frameworks focused on integrated natural resource management at the national, district and local levels. Under the programme, 150,000 ha of degraded land have been restored and over 875,000 ha of landscape production systems have been brought under sustainable management. As newly selected **Co-Lead of the GEF-8 Food Systems Integrated Programme**, IFAD will enhance its support to countries in linking biodiversity and sustainable food systems agendas to meet food security objectives and global biodiversity targets.



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