

Latin America and the Caribbean

US\$41.8 million

invested by IFAD in the region's ongoing portfolio

US\$11.8 million

in IFAD financing approved in 2023

32 countries

Antigua and Barbuda	
Argentina	3
Bahamas (The)	
Barbados	
Belize	1
Bolivia (Plurinational State of)	2
Brazil*	3
Colombia	
Costa Rica	
Cuba*	1
Dominica	
Dominican Republic	2
Ecuador	1
El Salvador*	1
Grenada	1
Guatemala	
Guyana	1
Haiti	3
Honduras	1
Jamaica	
Mexico	1
Nicaragua	1
Panama	
Paraguay*	1
Peru	1
Saint Kitts and Nevis	
Saint Lucia	
Saint Vincent and the Grenadines	
Suriname	
Trinidad and Tobago	
Uruguay	
Venezuela (Bolivarian Republic of)	

Numbers indicate ongoing projects and programmes

* Countries with ongoing ASAP grants

24 ongoing programmes and projects

in partnership with 16 countries in the region at the end of 2023

1 new programme

approved in 2023 in El Salvador

1 new country strategic opportunities programme

for El Salvador

Highlighted project

Bolivia, Guatemala, Haiti, Honduras and Peru

The **AGRIdigitalización** project was implemented in Peru and several other countries in Latin America and the Caribbean by **Agriterra** as part of IFAD's Rural Poor Stimulus Facility programme. The initiative has helped small-scale farmers and their producer organizations find innovative ways to preserve their livelihoods and recover from the COVID-19 pandemic. The project connects farmers to online services, many of which are offered by small youth-led tech companies, as a means of reaching new markets and accessing technical assistance and financial services.

3,000 farmers will receive virtual technical assistance and training in internal remote communication systems

More than 10,000 family farmers are expected to benefit from the project

86 producer organizations have been supported to market their products

Peru

Gianfranco Ríos Barco is the general manager of an agricultural cooperative that brings together more than 2,000 small producers from the San Martín region.

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Rural areas across Latin America and the Caribbean were hit especially hard by the COVID-19 pandemic. Although the situation has since improved, rural poverty is worse than it was before the pandemic.

Similarly, progress in improving food security remains mixed, although there have been some encouraging trends. Overall, hunger is on the decline across the region and the level stands at 6.5 per cent. But the overall positive trend masks a worsening trend in the Caribbean, where the share of people suffering from hunger has risen from 14.7 per cent to 16.3 per cent.

Most countries in the region have achieved upper-middle-income status. But inequality remains an issue, and many rural communities have yet to experience the benefits of overall economic development. In many upper-middle-income countries, the severity of poverty in rural areas is comparable to that of low-income countries. Protecting and restoring the region's rich biodiversity is also a challenge, with economic growth all too often having been accompanied by unsustainable levels of environmental degradation. And, as in other regions, the rural people of Latin America and the Caribbean are increasingly challenged by the worsening effects of climate change.

Focusing on nature-based solutions to adapt to climate change

IFAD-financed projects focus on agroecology as a primary approach to improving sustainability and strengthening climate resilience. Projects in Argentina, Bolivia, Brazil and the Dominican Republic, for example, are building biodiversity into agriculture and food systems.

In Argentina, the Goat Value Chain Development Programme works with goat herders to find solutions to adapt to an increasingly challenging climate, with unpredictable rains, strong winds and changing seasonal patterns having threatened the viability of their traditional ways of life.

“There is more wind than ever,” explains Ana Cerda, a 57-year-old goat herder from the Portezuelo Formation region of central Argentina, whose family has herded goats since she was a child. “On top of this, the rains are no longer like they used to be. Now all the water comes at once and the fields get destroyed. All this causes the animals to lose weight.”

Investments to improve the water supply and cultivate native plants for forage and firewood provide nature-based solutions to these problems for herders like Ana. Establishing drip irrigation systems and building sheds to shelter small cattle from dry winds have also provided opportunities for herders to adapt – and thrive – in today's new realities. To date, around 8,000 of the most vulnerable families in the Portezuelo Formation have benefited from the project.

Using digital tools to connect farmers to markets

Getting their products to remunerative markets is often a challenge for small-scale farmers, especially in relatively remote and hard-to-reach regions such as the Peruvian Amazon. And the economic downturn that accompanied the pandemic has exacerbated the challenges they face.

The AGRIdigitalización project, funded by IFAD's Rural Poor Stimulus Facility, has given small-scale farmers in Peru and other countries across the region opportunities to use digital technologies and tools to reach new customers. Through AGRIdigitalización, farmers and farmer collectives have been able to connect to new markets, as well as access vital financial services and technical assistance.

For the Allima Cacao Cooperative, which brings together small-scale farming families in the Chazuta district of the Peruvian Amazon, the project has enabled them to sell their cocoa products on a local e-commerce platform. This kept their businesses going during the pandemic and is now opening up new income-generating opportunities.

“We are benefiting because the business has expanded without having to move somewhere else,” said Gening Tapullima, a cocoa farmer from Peru who participated in the project.

Many of the project participants are Indigenous Peoples in the countries where the project is being implemented, which include Bolivia, Honduras and Peru.

Working with Indigenous Peoples and rebuilding traditional livelihoods

Indigenous Peoples are important partners in IFAD’s work across the region. In many cases, by linking their traditional knowledge and practices with technology, sustainable solutions for challenges related to food security, livelihoods and climate change can be implemented.

In Brazil, for example, an IFAD-supported project in the semi-arid north-eastern region has enabled the Kiriri people to rebuild their traditional ways of life and to marry them with modern innovations. With the support of the project, they are benefiting from a mill to process cassava harvested using their ancestral techniques. As these techniques are now providing them with decent livelihoods and hope for the future, they are training their young people in traditional crafts and beekeeping.



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“The mill has great cultural and commercial value,” says Fabiana, an indigenous Kiriri and participant in the project. **“It helps strengthen our culture – not lose it. Now I have big hopes for the future.”**

Young people, innovation and climate adaptation will be key for the future of rural communities

Supporting young people has long been a pillar of IFAD’s work across Latin America and the Caribbean. Entrepreneurship programmes, capacity development for employment and promoting digital tools to open new market opportunities are among the approaches IFAD prioritizes. Now we are scaling up and going further with this work – for example by integrating young people in technological start-ups through Innovatech, an innovative programme that is pioneering digital solutions to link to markets and services.

We are working with governments to ensure that marginalized groups such as Indigenous Peoples and persons with disabilities benefit from these approaches, in line with our new targeting policy.

Furthermore, innovation in the financial instruments we offer will be important to enable IFAD to work with countries in the region and contribute to the implementation of their national plans for rural development. New instruments are providing us with more scope to do this and allowing us to widen our partnership with the private sector. Non-sovereign operations, the Private Sector Financing Programme, and environmental and social governance bonds are some of the tools we are prioritizing in Latin America and the Caribbean. In addition, we are developing non-financial instruments to broaden IFAD’s offer to countries, such as Reimbursable Technical Assistance and new regional cooperation mechanisms.