

## The International Fund for Agricultural Development ([IFAD](#))

### Inputs to the Thematic Review of the High-level Political Forum on Sustainable Development (HLPF) in 2022

- **Rural women and men are at the heart of our sustainable future. They are the foundation of the food systems that provide nutritious food for us all, and they manage the natural resources of the planet we depend upon.** Their activities create prosperity, jobs and opportunities in some of the world’s most fragile and remote settlements – the building blocks of peace. Rural development is essential for global resilience.
- 63% of the world's poor people work in agriculture. The 2030 Agenda for Sustainable Development, including the Sustainable Development Goals (SDGs), articulates critical objectives for eliminating poverty and hunger, protecting the planet, and promoting peace and prosperity. These priorities are fundamental to the transformation of rural areas; which, in turn, is fundamental to achieving the overall transformation of our world that the 2030 Agenda envisions. **If we are to deliver on the promise of the 2030 Agenda to “leave no one behind”, the path to our sustainable future starts in rural areas.**
- **Today, the resilience of rural people is being tested like never before.** The COVID-19 pandemic is disrupting the production and marketing of food, threatening rural livelihoods and impacting food systems globally. In many contexts, the spread of conflict is exacerbating these impacts. At the same time, the outbreak of desert locusts across countries in Africa, Asia and the Arabian peninsula is disrupting agricultural production. And rural people, in particular because of their reliance on the climate, land and waters, are among the most vulnerable to the impacts of climate change.
- IFAD is a United Nations specialized agency and an international financial institution exclusively dedicated to investing in rural people. IFAD’s investments and work with rural people and their organizations are helping to build food systems and rural communities that are productive, resilient and sustainable.
- Rural people – together with IFAD, the UN System and other key partners – are finding solutions to these and other problems. They are innovating, and adapting new technologies; they are using their own unique know-how to build their resilience. Economic growth in agriculture is two to three times more effective at reducing poverty and food insecurity than growth in other sectors. Investments in small-scale agriculture can help revive food production and create jobs following a crisis and enable rural communities to recover. Their work, their determination and their knowledge go to the heart of our shared ambition for a sustainable future.
- To support these efforts, IFAD remains convinced that there is an **urgent need to address the financing gap to realizing sustainable and inclusive food systems**. One [recent estimate](#) pegs this gap at an **additional US\$14 billion a year, on average, is needed until 2030 to end hunger and double the incomes of 545 million small-scale farmers**. This means roughly doubling the amount of aid given for food security and nutrition each year. To drive an inclusive and green recovery from the COVID-19 pandemic, this will necessitate a focus on recovery, rebuilding, and resilience in the context of limited fiscal space, challenging macroeconomic conditions and the pandemic fallout to address sustainable development. Developing countries in particular are facing a significant debt sustainability challenge, potentially further undermining opportunities for investment in sustainable food systems. In driving this transformation, we need all actors – public and private - to promote sustainable investments at scale.

- IFAD is poised to contribute more to building the resilience of rural communities and strengthening food systems, with a focus on protecting livelihoods and development gains. Based on high demand from its Member States, in April 2020 IFAD launched a multi-donor [COVID-19 Rural Poor Stimulus Facility \(RPSF\)](#). This initiative aligns with the UN socio-economic response framework and complements IFAD’s broader COVID-19 response efforts. It seeks to improve the resilience of rural livelihoods in the context of the crisis by ensuring timely access to inputs, information, markets and liquidity.
- All of IFAD’s [results](#) make a tangible contribution to one or more SDGs. Read the [Report on IFAD’s Development Effectiveness \(RIDE\)](#) for an overview of main results achieved by IFAD in 2021. IFAD conducts rigorous impact assessments on approximately 15% of its project portfolio. Impact assessments are used in a meta-analysis and aggregation exercise to extrapolate results to the measure impact at the corporate level. These assessments help enhance IFAD’s and country-level capacities to both manage for results and to make better informed decisions based on timely and reliable data and evidence. Impact assessments are also used for accountability, learning, and as part of IFAD’s efforts to communicate results.
- Broadly speaking, in relation to some of the specific SDGs under review this year:
  - **SDG 5:** Promoting gender equality is a key element of IFAD’s work to reduce rural poverty and improve food security. Women make up about half of all participants of IFAD-supported projects. When women are empowered, families, communities and countries benefit.
  - Women’s empowerment cannot be achieved without change at a household level, involving all members, young and old, women and men. IFAD is a leader in the use of innovative measures to promote rural women’s empowerment. Through investments and policy engagement, and by promoting approaches that target households, it addresses the underlying causes of gender inequality to ensure equal access by rural women to productive assets and services, and to employment and market opportunities. IFAD also supports decision-makers and partners to design and implement investments, policies and strategies that address inequality.
  - For example, IFAD, in cooperation with its partners, is one of the leading agencies pioneering the innovative approach of using Household Methodologies (HHMs). This approach seeks to change the persistent pattern of gender inequality, particularly among farming families and communities. HHMs shift the focus from the individual to the household level, and from things – such as assets, resources and infrastructure – to people, and who they aspire to be and what they aspire to do.
  - The results have been transformational. Improving the status of women has led to greater agricultural productivity and the fairer distribution of labour. There have been other game-changing development outcomes, such as improved child nutrition, since women are more likely than men to spend their income on food and education.
  - **SDGs 14 and 15:** Through its work to foster inclusive, diversified, sustainable and productive rural economies - including fishing communities - IFAD’s work contributes to SDGs 14 and 15. These SDGs are also supported through IFAD investments in approaches to sustainable agriculture that better preserve and restore the natural resource base and increase the resilience of farming systems to a changing climate.
  - For example, The [Adaptation for Smallholder Agriculture Programme \(ASAP\)](#) is IFAD’s flagship programme for channelling climate and environmental finance to smallholder farmers. The programme is incorporated into IFAD’s regular investment processes and benefits from rigorous quality control and supervision systems. Thanks to the joint efforts and generous support of 10 donors, ASAP has received US\$300 million in

contributions. It has helped five million vulnerable smallholders in 41 countries cope with the impact of climate change and build more resilient livelihoods. In the future, ASAP will ensure that approaches for addressing climate-related risks are integrated into all of IFAD's portfolio of loans and grants.

- **SDG 17:** IFAD already works extensively in partnership with others, and - recognizing that the SDGs will only be achieved through strengthened collaboration and global solidarity - will further strengthen and diversify its partnerships to achieve the goals. IFAD continuously seeks to innovate and leverage new partnership opportunities.
- For example, IFAD launched the [Private Sector Financing Program \(PSFP\)](#) in 2020 to **catalyze more private sector investment to smallholder farmers and small agricultural businesses (MSMEs)**. The program provides debt and risk-sharing instruments to financial intermediaries, like banks, MFIs and investment funds, and directly into operating SMEs. The goal of PSFP is to increase the youth employment, women's empowerment, and climate resiliency of rural communities by increasing their productive capacity and market participation and building more climate resilient livelihoods. The PSFP will make high-risk, catalytic investments in market segments underserved by other development finance institutions and private investors.
- IFAD's value-added as an investor includes its small-scale agricultural focus and expertise, its global, on-the-ground presence, its experience in climate adaptation funding, and complementarity with its Program of Loans and Grants (PoLG) which serves as a risk mitigant for investments as well as a deal pipeline.
- Another example is the opportunity provided by the **multiple strong public credit ratings that IFAD has received**, facilitating its access to private funds to invest in increasing rural prosperity and development. IFAD has received **AA+ rating** by both Standard and Poor's (S&P) Global Ratings and Fitch. **IFAD is the first fund in the United Nations system to receive a public credit rating.**
- Finally, IFAD will continue to work in partnership with the UN System and others in **follow-up to the 2021 UN Food Systems Summit**. The over 100 national pathways for food systems transformation and the many multistakeholder initiatives that emerged from the Summit process offer a tremendous partnership opportunity to accelerate progress across the SDGs.