



THE ITALY-IFAD PARTNERSHIP



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ABOUT IFAD

An international financial institution and a United Nations specialized agency, IFAD is dedicated to eradicating rural poverty and hunger in developing countries. The Fund is one of the largest sources of financing for agriculture and rural development in the world's poorest countries.

Total IFAD loans and grants
US\$23.9 billion

Total domestic contributions
US\$19.8 billion

Total cofinancing
US\$14.5 billion

Total programme of work
US\$58.3 billion (1978-2021)

Italy and IFAD share a commitment to a world where people have access to affordable, safe, nutritious and sufficient food. Italy plays a key leadership role in strengthening the Fund's financial architecture, which enabled IFAD to become the first United Nations fund to receive a credit rating (AA+) and the only development finance institution to systematically conduct impact assessments across its portfolio.

Italy is a founding member of IFAD and the host country. It has pledged a total of US\$674.6 million to the Fund's core budget, placing itself among the Fund's five top donors. Italy welcomes 735 staff members from IFAD's 177 Member States, 23 per cent of whom are Italian. Since 2002, with an additional US\$79.7 million in supplementary funds, Italy and IFAD have joined forces to assemble finance for development with a special focus on sub-Saharan Africa to achieve the following:

- Enhance the resilience of rural communities and food systems.
- Promote climate action, with an emphasis on adaptation.
- Develop value chains, boost financial services in partnership with private investors.
- Strengthen food and nutritional security.

Every euro Italy provides to IFAD results in six euros of investment focused exclusively on poverty reduction in rural areas.

ITALY'S TOTAL CONTRIBUTIONS AND VOTING POWER

CONTRIBUTIONS

IFAD12: **EUR 84 million**
(US\$96 million)

TOTAL: **US\$674.6 million**

SUPPLEMENTARY FUNDS

TOTAL: **US\$79.7 million**

VOTES

PERCENTAGE OF TOTAL: **3.8%**

PERCENTAGE OF LIST A: **7.6%**

PARTICIPATION IN IFAD'S GOVERNING BODIES

Executive Board, Audit Committee, Governing Council, Consultation on the Thirteenth Replenishment of IFAD's Resources

ITALY SUPPORTS THE MAINSTREAMING OF INNOVATION IN IFAD'S INVESTMENTS FOR VIBRANT AND SUSTAINABLE RURAL ECONOMIES.

US\$4.4 MILLION
in supplementary funds to foster local production and markets in Ethiopia, Niger and Somalia

In the IFAD12 cycle (2022-2024),
US\$2.1 MILLION
in climate supplementary funds and 40 per cent of new investment with a focus on climate activities

US\$5.6 MILLION
in supplementary funds to manage risks in agriculture



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TACKLING POVERTY AND HUNGER TOGETHER

The Italy and IFAD partnership is centred on putting finance for resilient and inclusive food systems at the top of the global development agenda. In 2014, the Italian Ministry of Economy and Finance and IFAD organized an international conference to explore how to transfer pull mechanisms from the health sector to the agricultural sector, paving the way for the Payment for Ecosystem Services programmes promoted by the G7 and used by IFAD in its climate action. The conference was followed by the Finance for Food event co-organized at EXPO Milan 2015; the Mobilizing Trillions: Financing for Impact, Leveraging the Pivotal Role of Public Development Banks (PDBs) session at the pre-Food Systems Summit; and the launch of the PDB Platform for Green and Inclusive Food Systems in partnership with Cassa Depositi e Prestiti (CDP) at the Finance in Common Summit hosted in Rome under Italy's Presidency of the G20 in 2021. Piloting financial innovation and scaling up successes are priorities for Italy and IFAD under the Partnership Agreement that was renewed in 2019 to step up collaboration for the 2030 Agenda. This partnership also underpins the agreement between IFAD and CDP signed in November 2022 for up to EUR 200 million in parallel cofinancing for Sustainable Agriculture and Food Ecosystems (SAFE).

PROMOTING COMMUNITY-DRIVEN FOOD SYSTEMS

Italy and IFAD support locally driven food systems as key to help reducing rural communities' exposure to shocks. In Somalia's Puntland, with Italian supplementary funds of US\$3.2 million, IFAD is building the resilience of 8,000 households through the promotion of diversified agrifood and livestock food production that is adapted to local ecosystems and sociocultural contexts. In Ethiopia, Italy and IFAD are partnering to supply renewable energy to communities for irrigation and food processing to boost agricultural productivity and income opportunities and to mitigate the effects of climate change. In Niger, IFAD provides technical assistance to the EUR 20 million Italy-funded Project of Rural Infrastructure and Market Access in Tahoua Region (PAMIRTA), which aims at developing regional markets through the improvement of rural infrastructure.

MAINSTREAMING CLIMATE ADAPTATION AND BUILDING RESILIENCE

IFAD's operations are 100 per cent climate-sensitive. Through US\$2.1 million in supplementary funds, Italy is supporting the Rome-based agencies' Joint Programme for the Sahel in Response to the Challenges of COVID-19, Conflict and Climate Change (SD3C) in Mauritania. Italy's support will help 5,040 small producers, in particular women and youth, to withstand situations of conflict, and institutional and environmental fragility; and to harness opportunities around supply chains, leveraging informal cross-border trade and economic corridors.

PROMOTING INNOVATION AND RISK MANAGEMENT IN AGRICULTURE

Enhancing efficient information-sharing and promoting agricultural knowledge, research and innovation within rural communities – including in collaboration with Italian universities – can help to increase market and financial services access. IFAD and Italy are working together to supply rural people with the financial services they need to improve their livelihoods. As an active donor and member of the Platform for Agricultural Risk Management (PARM) and the Smallholder and Agri-SME Finance and Investment Network (SAFIN), Italy contributes to boosting investments in the agricultural sector by raising national and global awareness of the importance of managing agricultural risks effectively. In Ethiopia, Italy and IFAD are partnering to support the Ministry of Water and Energy in building resilience in lowland areas, with the involvement of local authorities and community representatives from the Awash and Wabi Shebelle river basin areas.