



# THE LUXEMBOURG-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\$24.6 billion

**Total domestic contributions**  
US\$20.3 billion

**Total cofinancing**  
US\$15.1 billion

**Total programme and project cost**  
**US\$60 billion** (1978-2022)

\*Includes Debt Sustainability Framework grants but excludes other grants and some special initiatives

Luxembourg is a long-standing and reliable partner with development priorities that align well with IFAD's mandate. A leading advocate for IFAD's private sector initiative, the Government of Luxembourg continues to express strong interest in sustainable finance. Luxembourg is both a founding member of the Agri-Business Capital (ABC) Fund, with representation on the ABC Fund Board and Investment Committee, and the first contributor to IFAD's Private Sector Financing Programme (PSFP), which is designed to promote increased investment in small-scale agriculture. The government continues to financially support and engage actively with IFAD's Financing Facility for Remittances (FFR). Over the years, Luxembourg has consistently supported IFAD's replenishments. In IFAD11 (2019-2021), Luxembourg provided EUR 3.9 million, including EUR 1.5 million in complementary contributions (equivalent to US\$4.48 million), in IFAD12 (2022-2024) Luxembourg provided a core contribution of EUR 3.9 million, and for the IFAD13 cycle the government has increased its contribution by 15 per cent in euro terms to EUR 4.5 million.

## LUXEMBOURG'S TOTAL CONTRIBUTIONS AND VOTING POWER

### CONTRIBUTIONS

IFAD13: **EUR 4.5 million**  
**(US\$4.88 million)**

TOTAL: **US\$25.1 million**

### SUPPLEMENTARY FUNDS

TOTAL: **EUR 10.5 MILLION**

### VOTES

PERCENTAGE OF TOTAL: **0.34%**

PERCENTAGE OF LIST A: **0.68%**

## PARTICIPATION IN IFAD'S GOVERNING BODIES

[Consultation on the Thirteenth Replenishment of IFAD's Resources](#)

# WORKING TO ENSURE SUSTAINABLE DEVELOPMENT IN THE AGRICULTURAL SECTOR AND PROMOTING FAIRER INCOME FOR AGRICULTURAL PRODUCERS TO STRENGTHEN THE COMPETITIVENESS OF AGRICULTURAL AND AGRIFOOD BUSINESSES

**EUR 5 MILLION**  
to the Agri-Business  
Capital Fund  
to invest in rural  
enterprises in  
developing countries

**EUR 2 MILLION**  
to the Private Sector  
Financing Programme  
to support stronger  
links with private sector  
partners that will benefit  
rural SMEs

**EUR 3.5 MILLION**  
to the Financing Facility  
for Remittances  
since 2006



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## INVESTING IN SUSTAINABLE FINANCE AND PUBLIC-PRIVATE PARTNERSHIPS

With its unwavering commitment to support small-scale farmers and micro, small and medium-sized rural enterprises in developing countries, IFAD, like Luxembourg, has an enduring interest in the **Agri-Business Capital (ABC) Fund**. As one of the founding investors, Luxembourg contributed EUR 5 million to the ABC Fund in a partnership to advance the common agenda of transforming agriculture and rural development for a more inclusive future for small-scale farmers. The government also strongly supports IFAD initiatives so that rural populations have access to available financing. The ABC Fund endeavours to channel blended capital and direct investments into underserved segments of agribusiness value chains. By seeking out commercially viable ventures, it aims to create employment opportunities, particularly for youth and women, thus contributing to improved rural livelihoods. It also prioritizes climate-smart projects that promote sustainable production practices, aligning with efforts to address environmental challenges.

IFAD's **Private Sector Financing Programme (PSFP)** stands out because of its unique focus on underserved people and organizations and its prioritization of high-impact initiatives. Luxembourg's development strategy highlights engagement with the private sector and strong support for sustainable development and the importance of public-private partnerships in achieving meaningful and lasting change on a global scale. The government's leading contribution of EUR 2 million to the PSFP set the tone to attract the interest of other Member States. The PSFP aims to catalyse private investment in small and medium-sized enterprises (SMEs), farmers' organizations, and financial intermediaries catering to small-scale farmers, who are frequently neglected by traditional investors. Through the provision of loans, risk management instruments such as guarantees, and equity investments, the PSFP seeks to empower these people and organizations, fostering sustainable economic growth and development.

## EMPOWERING RURAL COMMUNITIES THROUGH MIGRANT REMITTANCES

Recognizing the vital role of remittances as a lifeline for vulnerable and low-income rural communities, Luxembourg has joined efforts with the European Union, Spain and Sweden in support of IFAD's multi-donor **Financing Facility for Remittances (FFR)**. Through these contributions, the FFR maximizes the impact of remittances and migrants' investments in sustainable development by increasing access to digital remittances, especially in fragile and/or rural areas and among women, and promoting financial literacy for remittance-receiving households. It has also set up financial mechanisms that facilitate diaspora investments in climate resilience, sustainable development and food security in rural areas.