

United Kingdom and IFAD

IFAD11
FIDA11

 **IFAD**
Investing in rural people



THE UNITED KINGDOM-IFAD PARTNERSHIP

The United Kingdom and IFAD are working closely together to meet Sustainable Development Goals 1 and 2: ending poverty and hunger by 2030. They have made a special commitment to boost inclusive and sustainable economic paths and create jobs in the poorest rural areas of the world, especially in Africa, where 10 to 12 million young people enter the labour market every year.

A founding member of IFAD and a reliable top donor, the United Kingdom has played a leadership role in the Fund since it was established in 1977. The United Kingdom provides strategic guidance to enable IFAD to establish itself as the primary global fund for food security and agricultural development, and as a specialized agency of the United Nations and an international financial institution that is efficient, effective, transparent, results-focused and innovative.

Close collaboration between the Department for International Development and IFAD in 2003 led to the establishment of IFAD's Initiative for Mainstreaming Innovation (IMI): the United Kingdom made a complementary contribution of US\$12 million to IFAD6 (2004-2006) to support IFAD's drive to become innovative and flexible.

The United Kingdom's contributions to IFAD's Replenishments have grown steadily. They reached peak height in IFAD9 (2013-2015) when the United Kingdom complemented its core contribution of US\$82.9 million with a contribution of US\$239.1 million to the Adaptation for Smallholder Agriculture Programme (ASAP), IFAD's flagship programme to strengthen environmental sustainability and climate resilience in agricultural investment programmes.

The United Kingdom's core contribution rose by 15.6 per cent from GBP 57.1 million for IFAD10 (2016-2018) to GBP 66 million for IFAD11 (2019-2021). This confirmed its strong support for the Fund's value-for-money (VfM) approach, and for the theory of change that aims to mainstream climate, gender, youth and nutrition across the whole portfolio in order to have a stronger impact on the 2030 Agenda.

Photo: ©IFAD/Marco Salustro

ABOUT IFAD

An international financial institution and a specialized United Nations 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\$19.8 billion

Total domestic contributions
US\$15.5 billion

Total cofinancing
US\$11.6 billion

Total programme of work
US\$46.9 billion

(1978-2017)

United Kingdom's total contributions and voting power

Contributions

IFAD11: US\$88.6 million, including US\$2.5 million under the Debt Sustainability Framework

Total: US\$828.9 million in core contributions (9.4% of total contributions to IFAD), including US\$11.1 million to the Special Programme for sub-Saharan African Countries Affected by Drought and Desertification, US\$239.1 million complementary contribution to ASAP, and US\$12 million to the IMI

Other resources

US\$24 million in supplementary funds to support IFAD's institutional strengthening, fund the preparation of the Strategic Plan for the Transformation of Agriculture in Rwanda, and strengthen the microfinance sector in the Orissa region of India

Votes

Percentage of total: 3.5%
Percentage of List A: 7.1%

Participation in IFAD's governing bodies

Executive Board, Audit Committee, Governing Council, Working Group on the Transition Framework

TACKLING WORLD POVERTY TOGETHER

Value for Money (VfM). The United Kingdom's Multilateral Development Review 2016 Agency Assessment of IFAD recognizes the Fund's contribution to UK and international development objectives, its exclusive focus on rural poverty, and its work with the most vulnerable groups to tackle food insecurity and nutrition, and create economic opportunities to move people out of poverty. The review states: "IFAD has a good results framework, with a focus on empowering women and mainstreaming climate change in all its work".

Every pound that the United Kingdom invests in IFAD delivers a pro-poor total investment equivalent to £4. In using these resources to reduce rural poverty, IFAD aims to strike a balance between economy, efficiency, effectiveness and equity. Scorecards are being introduced to support management in identifying and balancing the trade-offs involved in pursuing VfM in resource mobilization, allocation, utilization and transformation.

Accountability and transparency. Evidence-based decision-making is the expected impact of the theory of change of IFAD's development effectiveness framework (DEF). The framework foresees robust tracking of project results to enable IFAD to make timely decisions in adapting global solutions to specific contexts, and finding solutions to dynamic challenges.

Through the yearly Report on IFAD's Development Effectiveness (RIDE), IFAD reports against its commitments and targets. During IFAD11 (2019-2021), this will be complemented by an organization-wide action plan for transparency, which will provide real-time data on the allocation, performance and results of investments through the Fund. This will ensure full compliance with the International Aid Transparency Initiative (of which IFAD is a member), including by promoting transparency at the country level.

Climate. United Kingdom support for ASAP has triggered funding and political support from many other donors. As of 1 May 2018, there are 42 approved ASAP grants for 40 countries, worth a total of US\$292.6 million. These grants aim to help 5.5 million smallholders cope with the impacts of climate change and build more resilient livelihoods. Each ASAP dollar leveraged US\$6.5 in additional cofinancing from governments and other sources. Following good results in ASAP's first phase – as indicated by the Overseas Development Institute's ASAP review (2015) – IFAD launched its 100 per cent climate mainstreaming commitment for 2016-2018 by mobilizing additional replenishment contributions. IFAD's accreditation by the Green Climate Fund is another result of the United Kingdom's original funds to ASAP and will provide an important new source of supplementary funds from 2017 onwards.

Around 25-30 per cent

of IFAD11 core resources will be allocated to countries with the most fragile situations



Photo: ©IFAD/Clarissa Baldin

IFAD delivers results

There are **767 million extremely poor people** living on less than US\$1.90 a day

80% live in rural areas

The ongoing portfolio of IFAD-supported projects (2010-2015) will help **24 million people** get out of poverty*

Number of programmes and projects approved 1978-2017: **1,069**

Number of countries where IFAD has invested: **125**

65% of extremely poor people work in agriculture



Rural people face lack of food, lack of resources, lack of finance, lack of infrastructure and lack of options.

With increased investment, small farmers can raise production, connect to markets and improve their livelihoods.

Agriculture is the main route out of poverty for rural people.



About **40%** of the 244 million international migrants are from rural areas

Food production will have to rise **60%** by 2050

IFAD has a unique mandate and unmatched experience working in remote areas where others don't go, and where poverty is most entrenched.

IFAD-supported projects work directly with the most marginalized and disadvantaged people. They focus on rural women, youth and indigenous communities. Our loans and grants enable developing countries to increase food production, create jobs and protect resources.



Since 1978, IFAD-supported projects have reached **474 million people**



97 million people receiving services from IFAD-supported projects in 2016
50:50 women:men



16.1 million voluntary savers in 2016
61% women
US\$1.4 billion banked in savings



13,700 km of roads built or repaired by projects ongoing in 2016

* Based on an analysis of projects closing and ongoing between 2010 and 2015, using the results of 22 ex-post impact assessments in conjunction with an extrapolation methodology. For more information, see: A. Garbero, *Measuring IFAD's impact. Background paper to the IFAD9 Impact Assessment Initiative*, 2016. <https://www.ifad.org/documents/10180/fe518fc8-22e7-4438-b12c-2df521d80bc3>



An estimated **2.5 billion people** depend on small farms



US\$ 2.1 billion provided by participants to projects 1978-2017

IFAD takes a people-centred approach

Participants are involved in design and implementation and also contribute to project costs. Poor countries contribute to IFAD too.

Agriculture is key to solving the world's most pressing problems, from hunger and poverty to migration to climate change to conflict.

Small farms account for up to 80% of production in sub-Saharan Africa and parts of Asia.

But smallholders often go hungry themselves.

Women make up **43%** of the global agricultural workforce

176 IFAD Member States

103 Members contributed to IFAD's last replenishment

Africa imports US\$35 billion in food annually yet has **more than half** the world's uncultivated farmland

IFAD's Adaptation for Smallholder Agriculture Programme (ASAP) is the world's largest fund helping small farmers adapt to climate change. By the end of 2017, **US\$305 million** had been committed in rural areas through ASAP.



If you care about **poverty, hunger, nutrition, the environment**, and building a **stable and sustainable world** for the next generation, then you care about **rural areas**.

90% of our Member State contributions go to low-income and lower-middle-income countries



IFAD is currently mobilizing resources for its programme of work for 2019 to 2021

IFAD aims to leverage core resources of **US\$1.2 billion**

and increase its Programme of Loans and Grants by **10%**



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International Fund for Agricultural Development
Via Paolo di Dono, 44 - 00142 Rome, Italy
Tel: +39 06 54591 - Fax: +39 06 5043463
Email: ifad@ifad.org
www.ifad.org

- facebook.com/ifad
- instagram.com/ifadnews
- linkedin.com/company/ifad
- twitter.com/ifad
- youtube.com/user/ifadTV

CONTACT

Luis Jiménez-McInnis
Director, Partnership and Resource Mobilization Office
Tel: +39 06 54592705
Email: l.jimenez-mcinnis@ifad.org