

IMPACT REPORT 2022



Investing in rural people

IFAD AT A GLANCE



Established in
1977



Headquartered in Rome,
with offices in

40
countries



177

Member States



Member States have contributed

US\$10.2

billion paid-in capital



More than

US\$24

billion in loans and grants
provided in 44 years



Active in

93

countries in 5 regions



IFAD's programme of work contributes to

16

out of 17 SDGs



IFAD projects reached

112

million people*



Increased income for

77.4

million people by at least 10 per cent*



Increased productive capacities of

62

million people by at least 20 per cent*



Improved market access for

64.4

million people by at least 20 per cent*



Improved resilience to climate change for

38

million people*

Rated

AA+

by Fitch and Standard & Poor's based on robust membership support, strong preferred creditor treatment, excellent capitalization and extremely strong financial risk profile

*IFAD's latest impact assessment covering projects closing in 2019-2021



THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD) is an international financial institution and United Nations specialized agency founded by the United Nations General Assembly in December 1977 as one of the major outcomes of the 1974 World Food Conference. IFAD is also a member of the Organisation for Economic Co-operation and Development and the United Nations Sustainable Development Group.

IFAD'S MISSION is to transform rural economies and food systems by making them more inclusive, productive, resilient and sustainable.

It is the only United Nations specialized agency and international financial institution with a specific mandate to eradicate poverty and hunger by investing in rural people through financial and technical assistance to agriculture and rural development projects.

IFAD IS HEADQUARTERED IN ROME, Italy, and operates through 40 country offices in five regions to ensure proximity to its clients and provide effective implementation and supervision support.

IFAD'S STRATEGIC FRAMEWORK for the period 2016-2025 sets out the Fund's overarching goal to invest in rural people to enable them to overcome poverty and achieve food security through remunerative, sustainable and resilient livelihoods.

The Strategic Framework establishes three closely interlinked and mutually reinforcing **STRATEGIC OBJECTIVES**: (1) improve the productive capacity of poor rural people; (2) increase their participation in markets; and (3) strengthen the environmental sustainability and climate resilience of their economic activities.

IFAD finances several **TYPES OF PROJECTS** in the following categories: environment and natural resources, food production, inclusive rural finance, social services, access to markets, and policy and institutions. Four cross-cutting themes lie at the heart of IFAD's development strategy: climate change adaptation and mitigation, gender, youth and nutrition.

IFAD is committed to enhancing **SOCIAL, ENVIRONMENTAL** and **CLIMATE SUSTAINABILITY** and **RESILIENCE** in the full range of its projects and programmes. Promoting a more sustainable natural resource and economic base for rural people that is more resilient to environmental degradation is central to delivering IFAD's poverty reduction and sustainable agriculture mandate. IFAD does this by applying its Social, Environmental and Climate Assessment Procedures (SECAP) at every step of project development, from the concept stage through to completion.

ACKNOWLEDGEMENTS

This inaugural Impact Report was prepared by the IFAD Treasury Team: Natalia Toschi, Head of Funding, and Marco Palacios, Funding and Investor Relations.

The report was prepared based on data on IFAD's projects at outcome and output levels supplied by Maria Soledad Marco, Senior Results Specialist, and Ana Fabiola Icumina, Results Consultant, both of the Operational Policy and Results Division.

The Research and Impact Assessment Division provided insight on IFAD's groundbreaking Impact Assessment Initiative.

Bob Baber, Communication Coordination Officer, and Birgit Plockinger, Communication Officer, led the design and structure of the Impact Report. Francesca Aielli, Communication Consultant, provided the graphical content and layout of the report.

The Impact Report follows the International Capital Market Association's portfolio-based approach and provides substantial and detailed information for investors and the public in general on the use of proceeds from IFAD's sustainable bond issuances.

© 2023, International Fund for Agricultural Development (IFAD)

Disclaimer: The material in this publication has been prepared by IFAD and is current as at the date of this publication. Information may be given in summary form and does not purport to be complete. Information in this publication, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs. This publication may contain forward-looking statements, including statements regarding our intent, belief or current expectations with respect to IFAD's businesses and operations, market conditions, results of operational and financial conditions, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on these forward-looking statements. IFAD does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect the occurrence of unanticipated events or circumstances after the date hereof. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside IFAD's control. Past performance is not a reliable indication of future performance. Unless otherwise specified all information is for the year ended 31 December 2022.

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of IFAD concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The designations "developed" and "developing" countries are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process.

This publication or any part thereof may be reproduced without prior permission from IFAD, provided that the publication or extract therefrom reproduced is attributed to IFAD and the title of this publication is stated in any publication and that a copy thereof is sent to IFAD.

CONTENTS

ACKNOWLEDGEMENTS 2

ACRONYMS 4

FOREWORD BY ALVARO LARIO, PRESIDENT OF IFAD 5

INTRODUCTION TO IFAD'S FIRST IMPACT REPORT 6

OVERVIEW OF IFAD'S SUSTAINABLE DEVELOPMENT FINANCE FRAMEWORK 8

IFAD'S PROJECT REPORTING SYSTEM: CORE INDICATORS 9

IFAD'S CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS 11

IFAD'S SUSTAINABLE ISSUANCE PROGRAMME 14

SELECTED EXPECTED PORTOLIO RESULTS 15

PROJECT TYPES IN PROJECT POOL 17

FEATURED PROJECTS 18

Annex I IFAD's project types and cross-cutting themes 26

Annex II IFAD's contribution to the Sustainable Development Goals – full mapping of core indicators 29

Annex III IFAD's environmental and social exclusion list 31

LIST OF FIGURES

Figure 1 IFAD's journey in connecting global capital markets to Sustainable Development Goals 7

Figure 2 IFAD's reporting structure 9

Figure 3 Example of a core indicator mapped to SDG targets 11

Figure 4 Deal sheets for IFAD's 2022 private placement issuances 14

Figure 5 Commitment of funds by project type and new financing/refinancing 16

Figure 6 Types of projects included in the first impact report 17

ACRONYMS

EMTN	Euro Medium-Term Note
ESG	Environmental, Social and Governance
ICMA	International Capital Market Association
SDFP	Sustainable Development Finance Framework
SDG	Sustainable Development Goal
SECAP	Social, Environmental and Climate Assessment Procedures

FOREWORD BY ALVARO LARIO

PRESIDENT OF IFAD

From its inception in 1977, the International Fund for Agricultural Development (IFAD) has been committed to empowering vulnerable rural people and improving their livelihoods. IFAD's special skill is innovative and effective investment projects that go the last mile to reach remote and marginalized communities. In order to face today's challenges, to expand our reach and improve our development impact, we are diversifying our funding sources. For IFAD, 2022 was a landmark year when, despite unprecedented market volatility, we issued our first two sustainable private placements under the highest and most widely accepted environmental, social and governance international standards for this type of debt capital market instrument.



With this first Impact Report, IFAD is proud to demonstrate how the proceeds of our first two private placement issuances have been invested in rural people, in particular smallholder farmers who are key to global food security and account for the majority of food production in some regions.

IFAD's mission is to fight poverty and food insecurity and to support poor rural people in building better lives in an increasingly complex and challenging environment. More than 500 million smallholder farmers depend on agriculture for their livelihoods.

Providing support to rural communities and smallholder farmers is the essence of IFAD's Strategic Framework. As the only development finance institution that focuses exclusively on rural transformation, IFAD is well positioned to play a key role in achieving the Sustainable Development Goals of the United Nations.

These sustainable issuances play a vital part in IFAD's US\$1.2 billion funding plan for the IFAD12 triennium (2022-2024). IFAD will continue tapping into different segments of capital markets to secure long-term and cost-effective funding to finance our mission and allow us to reach more rural people and do more to improve their lives.

In the midst of global crisis and conflict, our mandate is of critical importance. The rural people we serve need us more than ever and we also need them, their energy and their innovation, if we are to overcome the challenges of our age – hunger, poverty and climate change. We are honoured at IFAD to work shoulder to shoulder with our partners – both Member States and debt capital market investors – to reach these goals.

A handwritten signature in black ink, appearing to read 'Alvaro Lario'.

Alvaro Lario
PRESIDENT OF IFAD

INTRODUCTION TO IFAD'S FIRST IMPACT REPORT

IFAD began its journey in global capital markets in 2020, when it received two credit ratings by Fitch and Standard & Poor's, both at AA+ with a stable outlook. This was a key first step for IFAD in developing its bond issuance programme.

In December 2021, IFAD established its Euro Medium-Term Note (EMTN) programme, and in the same year it launched its [Sustainable Development Finance Framework](#) (SDFF), in line with the Sustainable Bond Guidelines¹ of the International Capital Market Association (ICMA).

IFAD's EMTN programme is a full "use of proceeds" programme, as 100 per cent of bond proceeds will support the financing of development projects. Accordingly, all IFAD issuances will be sustainable bonds.

In 2022, IFAD successfully issued its first two sustainable bonds in two different markets for a total amount of US\$150 million. The full proceeds will finance IFAD's sustainable loan portfolio, as stated in the SDFF and the EMTN programme.

In 2022, IFAD became a voting member of the ICMA Principles and, as an environmental, social and governance (ESG)² issuer, is committed to upholding the highest international standards and guidelines, as outlined by ICMA, with the ultimate goal of connecting global capital markets to rural and agricultural development.

We are pleased to present IFAD's first Impact Report, which is aligned with ICMA's Harmonised Framework for Impact Reporting for Social Bonds and adopts a portfolio-based approach,³ as also described in IFAD's SDFF.

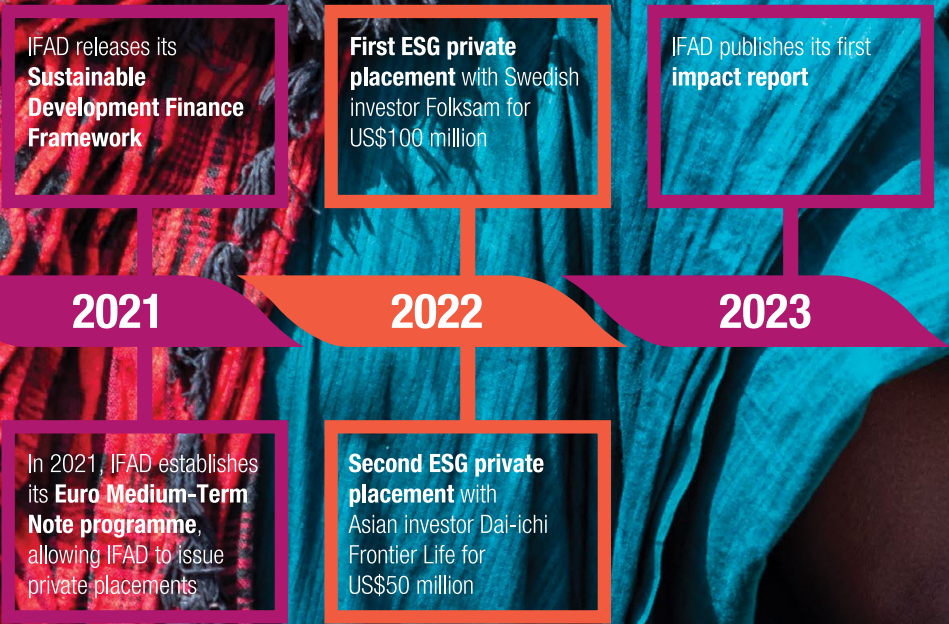
1. ICMA [Sustainability Bond Guidelines](#).

2. Environmental, social and governance (ESG) refers to a collection of corporate performance evaluation criteria that assess the robustness of a company's governance mechanisms and its ability to effectively manage its environmental and social impacts.

3. ICMA [Harmonised Framework for Impact Reporting for Social Bonds](#).



FIGURE 1 IFAD'S JOURNEY IN CONNECTING GLOBAL CAPITAL MARKETS TO SUSTAINABLE DEVELOPMENT GOALS





OVERVIEW OF IFAD'S SUSTAINABLE DEVELOPMENT FINANCE FRAMEWORK

IFAD's Sustainable Development Finance Framework (SDFF)⁴ details how IFAD uses the proceeds from issuing bonds to finance sustainable development projects. The SDFF is based on the ICMA's core components: (i) use of proceeds, (ii) process for project evaluation and selection, (iii) management of proceeds, and (iv) reporting.

The first component, **USE OF PROCEEDS**, describes how IFAD will use the funds raised through the issuance of sustainable bonds. IFAD's SDFF states that the proceeds raised through sustainable private placements will be used solely for sustainable development projects. The SDFF specifically refers to a 36-month lookback period – that is, projects financed must have been approved by IFAD's Executive Board within the past 36 months. This ensures that the proceeds are used for projects that are currently under implementation.

The second component, **PROCESS FOR PROJECT EVALUATION AND SELECTION**, refers to the rigorous procedure IFAD follows and the criteria it adopts in evaluating and selecting projects for financing. This involves a thorough analysis of the project's potential impact on sustainable development, its financial viability, and its alignment with IFAD's strategic objectives and the development priorities of borrowing governments. This ensures that IFAD finances only the projects that meet the required standards.

The third component, **MANAGEMENT OF PROCEEDS**, refers to the management of the funds from the issuance pending disbursement for development projects. Prior to disbursement, the funds are prudently invested in line with IFAD's Investment Policy Statement.⁵ IFAD uses a virtual account method to track the proceeds; this method ensures that the funds are used for their intended purposes.

The fourth component, **REPORTING**, refers to the reporting requirements for the use of funds raised through sustainable bond issuance. IFAD has a comprehensive reporting system that ensures transparency and accountability and is based on the ICMA Harmonised Framework for Impact Reporting for Social Bonds. IFAD's reporting system is based on a set of core indicators that measure outputs and outcomes. Each core indicator is mapped to the Sustainable Development Goal (SDG) that it contributes to, either directly or indirectly (see following section and annex II). These core indicators are complemented by project evaluations carried out by the Independent Office of Evaluation on a sample basis. IFAD collects data on both targets and actual results in the built-for-purpose Operational Results Management System (ORMS). As stated in the SDFF, IFAD will be reporting on a portfolio basis, thereby complying with ICMA's impact reporting framework.

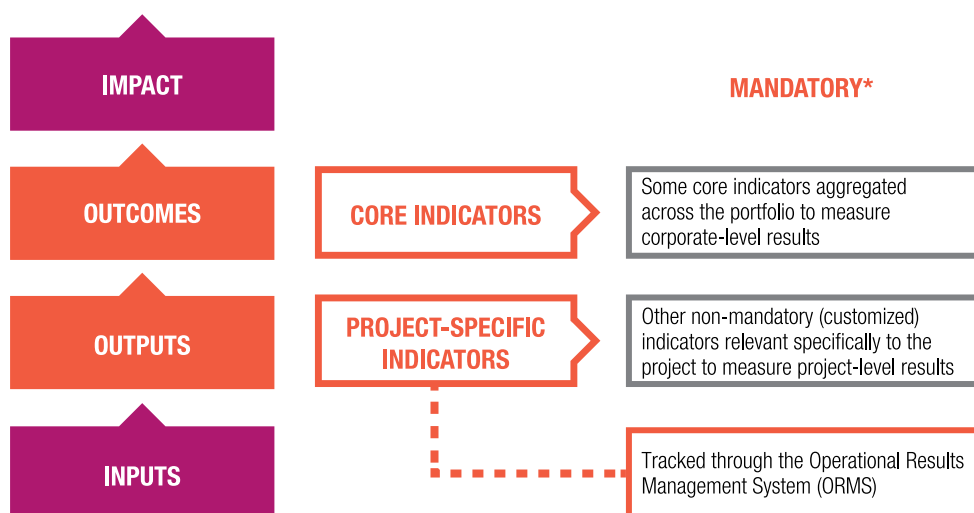
4. [IFAD's Sustainable Development Finance Framework](#).

5. [IFAD's Investment Policy Statement](#).

IFAD's core indicators framework is our primary mechanism for measuring and reporting the results of projects at output and outcome levels. The framework provides a simplified and standardized overview of the key outputs and outcomes achieved as a result of IFAD-supported activities. It consists of 45 indicators: 23 output indicators, which include 3 outreach indicators,⁶ and 22 outcome indicators. These indicators are mapped to IFAD's strategic objectives, as outlined in its Strategic Framework 2016-2025, to IFAD's project types and to the SDGs, as defined in the 2030 Agenda for Sustainable Development. The key advantage of the core indicators is that they can be integrated into project logframes⁷ and aggregated across projects and countries to facilitate corporate-wide reporting, which allows IFAD to have a real-time view of its impact.

The inclusion of core indicators in project logframes is determined by the project's theory of change. A theory of change is a comprehensive description and illustration of how and why a desired change is expected to happen in a particular context. Core indicators must be complemented by project-specific indicators. The performance of both these sets of indicators is tracked online through our ORMS. The results achieved are tracked throughout the project cycle and aggregated to provide a snapshot of the outcomes achieved by IFAD-financed projects globally. Therefore, the core indicators are the basis on which we report and show accountability for the results of the projects we finance. The core indicators are also a clear and concise means of communicating the types of activities carried out in IFAD-financed projects.

FIGURE 2 IFAD'S REPORTING STRUCTURE







* As determined by the project's theory of change.

6. The results hierarchy does not explicitly include outreach. However, outreach indicators can be combined with output indicators, as they count the number of people or households reached by the goods and/or services provided by the project.
7. A logframe is a logical framework, a planning tool consisting of a matrix that provides an overview of a project's goal, activities and anticipated results. It provides a structure to help specify the components of a project and its activities, and to relate them to one another.



FIGURE 3 EXAMPLE OF A CORE INDICATOR MAPPED TO SDG TARGETS

<p>1.1.8 IFAD CORE INDICATOR</p>  <p>Number of persons/households provided with targeted support to improve their nutrition</p>	<p>2 ZERO HUNGER</p> 	<p>2.1 → DIRECT LINK</p> <p>End hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round</p>
	<p>2 ZERO HUNGER</p> 	<p>2.2 ↗ INDIRECT LINK</p> <p>End all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons</p>
	<p>6 CLEAN WATER AND SANITATION</p> 	<p>6.1 ↗ INDIRECT LINK</p> <p>By 2030, achieve universal and equitable access to safe and affordable drinking water for all</p>

IFAD’S CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

In 2017, IFAD carried out a thorough mapping of the core indicators to the SDGs to assess the contribution of IFAD-financed projects to the SDGs. This mapping allows IFAD to demonstrate to stakeholders, including Member States, investors, cofinanciers, development partners and, most importantly, the rural people it supports, how IFAD delivers against each SDG target.

The contribution of a core indicator to an SDG target is deemed to be direct if the core indicator measures an output or outcome that is a perfect or close to perfect match with an SDG target as per its description. The contribution of a core indicator to an SDG target is deemed to be indirect if the core indicator measures an output or outcome that, if financed, creates an additional benefit for the SDG target, even though it may not be a perfect match with the SDG target’s description (see figure 3).

Through this mapping exercise, IFAD was able to show that its interventions contribute to 16 out of 17 SDGs, thereby making it a pure player in the development area and an issuer of sustainable bonds with full merit. Annex II provides the full mapping of IFAD’s core indicators to the SDGs.

BOX 1

IFAD'S IMPACT ASSESSMENT INITIATIVE

In addition to monitoring results at the output and outcome levels through its core indicators, in 2011 IFAD launched a cutting-edge corporate impact assessment methodology. IFAD is the only international financial institution that conducts this type of corporate-level impact assessment.

The impact assessments acknowledge IFAD's responsibility to generate evidence of the success of IFAD projects and to learn lessons that can be applied to future projects.

The impact assessments entail a scientifically rigorous process aimed at measuring the impact on the identified beneficiaries that can be attributed to IFAD-financed interventions, in which there may also be an additional contribution from key international partners.

The approach to assessing corporate impact builds on the use of project-level impact assessments. Specifically, IFAD measures the effectiveness of its investments by systematically conducting impact assessments on a random sample of approximately 15 per cent of projects selected from among those that close during each funding period and uses this sample to determine the overall corporate impact. The project-level impact assessments use quantitative data and statistical methods to ensure project impacts are correctly attributed – that is, the assessments seek to provide a guarantee that impact can be attributed solely to IFAD investments. The assessments include the collection of quantitative data and qualitative information and are designed in close collaboration with local stakeholders and government counterparts to ensure both an adequate understanding of each project assessed and that lessons are learned.

To attribute impact, two groups are chosen (for example, small-scale farmers or producers) that are alike, except that one group participates in or receives services through the project interventions and the other does not. The second group represents a control group to the first group participating in IFAD's investment project. The "treatment group" participates in or receives services from the project while the "control group", at least in the short term, does not. The attributable impact

of IFAD investments is then the difference between these two groups as measured by the indicators of interest, such as income, overall production and productivity, market access, resilience and ability to recover from shocks, nutrition and other indicators that correspond to the anticipated impacts, based on the project's objectives.

The final outcomes of the impact assessments are quantitative estimates of project impact on key variables, together with lessons that have been learned through the analysis. Since the projects selected for impact assessment reflect the regional distribution of IFAD's sustainable development projects across the world and their thematic intervention areas, they are a good representation of IFAD's portfolio and can be used to obtain valid estimates of overall impact. This approach allows for both an estimate of average per cent corporate impact in terms of IFAD's goals and strategic objectives and an estimate of the number of people who have realized significant gains due to IFAD investments.

The impact assessments also consider various factors that may affect results, such as macroeconomic factors, natural disasters and conflicts.

The findings of impact assessments are used to inform decisions and foster the generation of quality evidence, thus ensuring objective impact assessment and reporting on the impact of IFAD's projects.

The impact assessments help IFAD to be transparent and accountable to its stakeholders, including donors, partners and the communities it serves. By providing evidence-based data on the impact of its interventions, IFAD can demonstrate the value of its work and the positive changes it brings to rural areas and rural populations.

IFAD has so far concluded three cycles of impact assessments. During the first cycle, the IFAD9 impact assessment for the period 2012-2015, only the methodology was tested. For the subsequent two cycles, IFAD obtained the following comparable and rigorous impact findings.

2016-2018

IMPACT ASSESSMENT⁸



Average project size

US\$50

million, of which average IFAD
funding is US\$20 million



Outreach

65

million people



62

million people benefited from
improved economic mobility



47

million people increased
their production



50

million people improved
their market access



26

million people increased
their resilience

2019-2021

IMPACT ASSESSMENT⁹



Average project size

US\$73

million, of which average IFAD
funding is US\$33 million



Outreach

112

million people



77

experienced
increased income



62

million people increased
their production



64

million people improved
their market access



38

million people increased
their resilience

8. [IFAD Impact Assessment Report, 2016-2018.](#)

9. [IFAD Impact Assessment Report, 2019-2021.](#)

IFAD’S SUSTAINABLE ISSUANCE PROGRAMME

After obtaining two AA+ credit ratings from Fitch and Standard & Poor’s in 2020, IFAD launched its SDFP in 2021, aiming to raise funds for its projects while promoting sustainable financial instruments.

Funds raised through bonds issued under the SDFP help IFAD to finance its mission: facilitating sustainable rural transformation, improving rural livelihoods and addressing the effects of climate change in rural areas. By issuing sustainable bonds, IFAD will also be able to attract socially responsible investors who seek investment opportunities that align with their values.



IFAD’s inaugural sustainable private placement for US\$100 million was issued on 8 June 2022 to Folksam, a leading insurance and pension fund in Sweden and one of the first investors with which IFAD engaged after establishing the EMTN programme. Despite very volatile financial markets in the first half of 2022, IFAD and Folksam agreed to join forces to increase investment in food security, rural development and economic growth. This came at a time when the war in Ukraine was pushing global food, fertilizer and energy prices to record levels, putting at risk of hunger and poverty millions more rural people, who were already reeling from the COVID-19 pandemic.

IFAD’s second sustainable private placement for US\$50 million was issued on 22 June 2022 to Dai-ichi Frontier Life, a Japanese life insurance company. Dai-ichi Frontier Life supports the 17 SDGs and promotes ESG investments, which is in full alignment with IFAD’s SDFP. This 15-year transaction is testament to the commitment of both partners to counter the risk of rural people falling into hunger and poverty due to skyrocketing global food, energy and fertilizer prices, and more frequent and extreme weather shocks.

As the demand for sustainable finance continues to grow, IFAD’s sustainable issuances will play an increasingly important role in our funding plans to assemble much-needed resources for smallholder farmers and rural development, while providing investors with an opportunity to include high-calibre ESG investments in their portfolios.

IFAD is fully committed to using 100 per cent of the proceeds from its bond issuances to finance sustainable investments and contribute to IFAD’s four mainstreamed themes: climate change adaptation and mitigation, gender, youth and nutrition.

FIGURE 4 DEAL SHEETS FOR IFAD’S 2022 PRIVATE PLACEMENT ISSUANCES

	Year	2022		Year	2022
	Tenor	7		Tenor	15
	Maturity	10 June 2023		Maturity	22 March 2037
	Coupon	3.263%		Coupon	3.591%
	Currency	USD		Currency	USD
	Amount	US\$100 million		Amount	US\$50 million
	Link	Press release first issuance		Link	Press release second issuance
	ISIN	XS2490415135		ISIN	XS2492704239

SELECTED EXPECTED PORTFOLIO RESULTS

ATTRIBUTABLE TO US\$150 MILLION ISSUANCES OF 2022

1,977,669

Estimated total number of household members reached

124,000

People provided with climate information

62,947

Individuals demonstrating an improvement in empowerment

15,750

People trained in income-generating activities or business management

505,055

Number of households reached

66,297

Households provided with targeted support to improve their nutrition

33,320

Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices

4,521

Households reporting, that they can influence decision-making of local authorities and project-supported service providers

19,500

Hectares of farmland under water-related infrastructure constructed/rehabilitated

105,400

Hectares of land brought under climate-resilient practices

4,150

Groups supported to sustainably manage natural resources and climate-related risks

4,512

Rural producer organizations supported

SDG direct contribution
8 SDGs and 14 SDG targets



SDG indirect contribution
14 SDGs and 46 SDG targets



FIGURE 5 COMMITMENT OF FUNDS BY PROJECT TYPE AND NEW FINANCING/REFINANCING (US\$ MILLION)



PROJECT TYPES IN PROJECT POOL

IFAD supports several types of projects. The projects that form the basis of this first impact report can be divided into three types, as shown in figure 6.

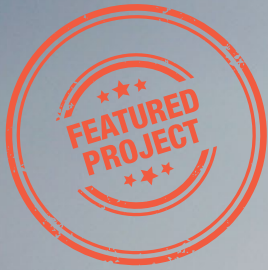
For ease of reference and comparability within financial markets, in the SDFF, IFAD mapped its project types to the most common categories of projects mentioned in the Green Bond Principles and Social Bond Principles of the ICMA.

The three project types included in this report are mapped to the following project types of the ICMA Green Bond Principles and Social Bond Principles:

- Sustainable water and wastewater management
- Food security
- Access to essential services
- Socioeconomic advancement and empowerment
- Affordable basic infrastructure

FIGURE 6 TYPES OF PROJECTS INCLUDED IN THE FIRST IMPACT REPORT





ARGENTINA

Promotion of Resilient and Sustainable Agri-food Systems for Family Farming Programme

DESCRIPTION

Increasing the resilience of family farmers and indigenous agricultural producers through the promotion and support of sustainable and inclusive production and marketing systems.

OBJECTIVES

Contribute to reducing poverty among family farmers and indigenous agricultural producers and improving the sustainability of Argentina's food systems. Improve the resilience of family farmers and indigenous agricultural producers by promoting sustainable and inclusive production and commercialization systems that are adapted to climate change.

EXPECTED RESULTS

HOUSEHOLD MEMBERS IMPACTED

66,297

PEOPLE RECEIVING SERVICES

16,610

INDIVIDUALS WITH IMPROVED EMPOWERMENT

5,979

KEY FACTS

SECTOR

Rural development

YEAR OF APPROVAL

2021

IFAD FINANCING

US\$13.1 million

COFINANCING AMOUNT

US\$23.0 million

COFINANCIERS

FONPLATA, national government, farmers' organization

LOAN TENOR

33 years

LOAN CURRENCY

USD

SUPPORTED SDGs



PROJECT LINK

www.ifad.org/es/-/argentina-2000001530-prosaf-project-design-report-august-2021







BRAZIL

Planting Climate Resilience in Rural Communities of the North-East

DESCRIPTION

Supporting family farmers and their communities in reversing the decline in productivity caused by the degradation of agroecosystems. Introducing technologies for water harvesting, storage and recycling, and diversification strategies to strengthen the resilience of rural populations.

OBJECTIVE

Reduce the impact of climate change and increase the resilience of affected populations in the largely semi-arid north-eastern region of Brazil.

EXPECTED RESULTS

CONSTRUCTED/REHABILITATED FARMLAND UNDER WATER-RELATED INFRASTRUCTURE

4,500 hectares

HOUSEHOLDS REACHED

375,000

PEOPLE PROVIDED WITH CLIMATE TRAINING

124,000

KEY FACTS

SECTOR

Rural development

YEAR OF APPROVAL

2021

IFAD FINANCING

US\$30.0 million

COFINANCING AMOUNT

US\$187.8 million

COFINANCIERS

Domestic financial institutions, Green Climate Fund

LOAN TENOR

18 years

LOAN CURRENCY

USD

SUPPORTED SDGs



PROJECT LINK

www.ifad.org/en/-/document/brazil-200002253-planting-climate-resilience-project-design-report-november-2020





MEXICO

Reducing Climate Vulnerability and Emissions through Sustainable Livelihoods

DESCRIPTION

Building climate governance mechanisms and integrating related processes into the government programmes and policies for the Balsas River basin to strengthen ecosystem services by increasing their capacity for resilience and the sustainability of the productive systems.

Facilitating access to financial services through existing partnerships between Comisión Nacional Forestal, Fideicomisos Instituidos en Relación con la Agricultura and Financiera Nacional para el Desarrollo Agropecuario Rural Forestal y Pesquero, and operationalizing a climate information system and knowledge generation for decision-making and climate risk management in the basin. This will support the strengthening and integration of different information systems related to climate, agricultural production, and natural resource management, as well as early warning systems to anticipate, prevent and adapt to climate risks.

OBJECTIVES

Contribute to reducing the vulnerability of poor rural people to climate change, recover and conserve ecosystems and their services, and strengthen the production systems of the Balsas Basin. Increase the productive capacities and market participation of poor rural and indigenous families, especially women and youth.

EXPECTED RESULTS

HOUSEHOLD MEMBERS IMPACTED

141,372

PEOPLE RECEIVING SERVICES

58,905

LAND BROUGHT UNDER CLIMATE-RESILIENT PRACTICES

5,979

KEY FACTS

SECTOR

Financial services

YEAR OF APPROVAL

2021

IFAD FINANCING

US\$38.5 million

COFINANCING AMOUNT

US\$16.6 million

COFINANCIERS

National government, domestic cofinanciers

LOAN TENOR

26 years

LOAN CURRENCY

USD

SUPPORTED SDGs



PROJECT LINK

www.ifad.org/en/-/mexico-2000002249-resilient-balsas-basin-project-design-report-november-2021





VIET NAM

Climate-Smart Agricultural Value Chain Development in Ben Tre and Tra Vinh Provinces

DESCRIPTION

Adopting climate-smart agriculture technologies and practices and constructing/rehabilitating climate-resilient infrastructures, commercial enterprise-producer partnerships and market linkages, including by empowering rural women and youth within the value chain.

OBJECTIVE

Generate sustainable income opportunities and improved rural livelihoods for poor households, including women, men, ethnic minorities and youth, in the Tra Vinh and Ben Tre provinces of Viet Nam.

EXPECTED RESULTS

CONSTRUCTED/REHABILITATED FARMLAND UNDER WATER-RELATED INFRASTRUCTURE

15,000 hectares

RURAL PRODUCER ORGANIZATIONS SUPPORTED

4,000

HOUSEHOLDS REACHED

210,000

KEY FACTS

SECTOR

Financial services

YEAR OF APPROVAL

2021

IFAD FINANCING

US\$43.0 million

COFINANCING AMOUNT

US\$93.0 million

COFINANCIERS

Domestic financial institutions, national government, Dutch Fund for Climate and Development

LOAN TENOR

18 years

LOAN CURRENCY

USD

SUPPORTED SDGs



PROJECT LINK

www.ifad.org/en/-/viet-nam-2000002335-csat-project-design-report-july-2021



ANNEX I IFAD'S PROJECT TYPES AND CROSS-CUTTING THEMES

PROJECT TYPES

IFAD categorizes its projects into six types: ENVIRONMENT AND NATURAL RESOURCES, PRODUCTION SECTORS, INCLUSIVE RURAL FINANCE, SOCIAL SERVICES, ACCESS TO MARKETS, and POLICY AND INSTITUTIONS. It should be noted that this categorization is primarily for reporting purposes, as IFAD's projects typically finance a multitude of activities that make it difficult to describe them using one single category.

The project types are also mapped to the Green Bond Principles and Social Bond Principles project types for ease of reference by investors and external stakeholders.

PRODUCTION SECTORS



Improving agricultural production and limiting post-harvest losses. This encompasses agricultural land resources, agricultural water resources, crops, fisheries and aquaculture, and livestock and pastoralism.



ACCESS TO MARKETS



Enabling access to better markets and improving networks, utilities and services to facilitate economic activities, including rural business development and transport.



ENVIRONMENT AND NATURAL RESOURCES



Restoring and maintaining natural resource capital as a basic requirement for sustainable development.



POLICY AND INSTITUTIONS



Creating an environment for project implementation and sustainable rural transformation, including activities such as supporting public administrations in developing or implementing new policies, laws, regulations or reforms.



SOCIAL SERVICES



Securing basic services such as social and health services, and access to energy and housing.



INCLUSIVE RURAL FINANCE



Enabling access to banking and financial services, and financial market support.



CROSS-CUTTING THEMES

In addition to the project types, IFAD mainstreams four themes within its projects: CLIMATE CHANGE ADAPTATION AND MITIGATION, GENDER, YOUTH and NUTRITION.

CLIMATE CHANGE ADAPTATION AND MITIGATION



Enhancing low-carbon development of small-scale producers and rural communities and their resilience to environmental degradation and climate change impacts.



GENDER



Promoting gender equality in rural communities by helping rural women grow more food, connect to markets, increase their incomes and become more liberated and financially skilled.



YOUTH



Fostering business development, new technology and innovation models, vocational training and education, and emerging themes of decent work. Addressing issues of child labour in agriculture, including those affecting adolescent girls, indigenous youth and youth with disabilities.



NUTRITION



Improving local food systems (mainly through increasing and diversifying food production) and raising awareness about and knowledge of nutrition. Integrating nutrition considerations into stages of the food value chain beyond production.



ANNEX II IFAD'S CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS – FULL MAPPING OF CORE INDICATORS

No.	Core indicator	SDG supported directly	SDGs supported indirectly
1	Persons receiving services promoted or supported by the project	1	2, 9, 14
1a	Corresponding number of households reached	1	2
1b	Estimated corresponding total number of household members	1	2
1.1.1	Persons whose ownership or user rights over natural resources have been registered in national cadastres and/or geographic information management systems	1	2, 5, 10, 12, 15
1.1.2	Farmland under water-related infrastructure constructed/rehabilitated	1	2
1.1.3	Rural producers accessing production inputs and/or technological packages	2	1, 8, 12
1.1.4	Persons trained in production practices and/or technologies	2	1, 12
1.1.5	Persons in rural areas accessing financial services (savings, credit, insurance, remittances, etc.)	2	1, 5, 9, 10, 15
1.1.6	Financial service providers supported in delivering outreach strategies, financial products and services to rural areas	8	1, 2, 5, 9, 10, 15
1.1.7	Persons in rural areas trained in financial literacy and/or use of financial products and services	2	1, 4, 5, 9, 10, 15
1.1.8	Households provided with targeted support to improve their nutrition	2	6
1.2.1	Households reporting improved access to land, forests, water or water bodies for production purposes	1	2, 5, 10
1.2.2	Households reporting adoption of new/improved inputs, technologies or practices	2	1, 8, 10
1.2.3	Households reporting reduced water shortage vis-à-vis production needs	2	1, 12
1.2.4	Households reporting an increase in production	2	8
1.2.5	Households reporting using rural financial services	1	2, 8, 9
1.2.6	Partner financial service providers with portfolio-at-risk \geq 30 days below 5%	8	2, 9
1.2.7	Partner financial service providers with operational self-sufficiency above 100%	8	2, 9
1.2.8	Women reporting minimum dietary diversity	2	3
1.2.9	Households with improved nutrition knowledge, attitudes and practices	2	3
2.1.1	Rural enterprises accessing business development services	8	1, 9, 10
2.1.2	Persons trained in income-generating activities or business management	4	8, 14
2.1.3	Rural producers' organizations supported	2	16
2.1.4	Supported rural producers that are members of a rural producers' organization	2	5, 8, 12, 16
2.1.5	Roads constructed, rehabilitated or upgraded	9	2
2.1.6	Market, processing or storage facilities constructed or rehabilitated	2	1, 9, 12

No.	Core indicator	SDG supported directly	SDG supported indirectly
2.2.1	Beneficiaries with new jobs/employment opportunities	8	1, 2, 10
2.2.2	Supported rural enterprises reporting an increase in profit	1	8, 9, 10
2.2.3	Rural producers' organizations engaged in formal partnership, agreements or contracts with public or private entities	2	5, 8, 16
2.2.4	Supported rural producers' organization members reporting new or improved services provided by their organization	2	5, 8
2.2.5	Rural producers' organizations reporting an increase in sales	1	2, 8, 9, 10
2.2.6	Households reporting improved physical access to markets, processing and storage facilities	9	1, 2, 12
3.1.1	Groups supported to sustainably manage natural resources and climate-related risks	2	1, 6, 13, 14, 15
3.1.2	Persons provided with climate information services	13	1, 2, 4, 10, 12
3.1.3	Persons accessing technologies that sequester carbon or reduce greenhouse gas emissions	7	2, 9, 12, 13, 15
3.1.4	Land brought under climate-resilient management	2	6, 12, 13, 15
3.2.1	Greenhouse gas emissions (tCO ₂ e) avoided and/or sequestered	13	2
3.2.2	Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices	13	1, 2, 6, 12, 15
3.2.3	Households reporting a significant reduction in the time spent collecting water or fuel	2	5, 6, 12
IE 2.1	Individuals demonstrating an improvement in empowerment	10	1, 5, 16
Policy 1	Policy-relevant knowledge products completed	2	5, 8, 12, 16, 17
Policy 2	Functioning multi-stakeholder platforms supported	16	2, 13, 17
Policy 3	Existing/new laws, regulations, policies or strategies proposed to policy-makers for approval, ratification or amendment	2	5, 8, 13, 16
SF2.1	Households satisfied with project-supported services	16	1, 2
SF2.2	Households reporting they can influence decision-making of local authorities and project-supported service providers	16	5, 8, 10

Note: IE, empowerment indicator; SF, stakeholder feedback.

ANNEX III IFAD'S ENVIRONMENTAL AND SOCIAL EXCLUSION LIST

As part of its commitment to sustainable development, IFAD has developed an environmental and social exclusion list that is used to screen potential projects and investments for their environmental and social risks.

The list is part of IFAD's Social, Environmental and Climate Assessment Procedures (SECAP).¹⁰ It is a list of activities and practices that are considered to be environmentally or socially harmful and that IFAD will not support. By using the aforementioned exclusion list to screen potential projects and investments, IFAD aims to ensure that its activities are aligned with its commitment to sustainable development and that they do not contribute to environmental or social harm.

IFAD will not knowingly finance, directly or indirectly, projects involving the following:

- (I) Production or activities involving harmful or exploitative forms of forced labour,¹¹ or practices which prevent employees from lawfully exercising their rights of association and collective bargaining;
- (II) Production or activities involving harmful or exploitative forms of child labour;¹²
- (III) Production of or trade in weapons and munitions;
- (IV) Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples;
- (V) Activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources, cultural heritage or other legally protected areas;¹³
- (VI) The production, trade in or use of any product or activity deemed illegal under host country (i.e. national) laws or regulations, international conventions and agreements, or subject to international phase-out or bans, such as:

10. IFAD's Social, Environmental and Climate Assessment Procedures (SECAP).

11. Forced labour is work exacted under the threat of penalty and for which the worker has not offered himself or herself voluntarily. It can involve threats of dismissal or physical violence, the withholding of identity documents or wages, threats to report workers to immigration authorities and entangling workers in fraudulent debt.

12. Child labour includes: (i) labour below the host country's minimum age of employment; and (ii) any other work that may be hazardous, may interfere with a child's education, or may be harmful to a child's health or physical, mental, spiritual, moral or social development. If national laws or regulations provide for employment of children of at least 16 years of age (in line with ILO's 1973 Minimum Age Convention), on the condition that their health, safety and morals are fully protected, and they have received adequate instruction or vocational training in the relevant branch of activity, then child labour means employing children for work that does not comply with these laws and regulations.

13. Relevant international conventions include the: Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention); Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention); Convention on the Conservation of European Wildlife and Natural Habitats (Bern Convention); World Heritage Convention; and Convention on Biological Diversity.

- (a) Products containing polychlorinated biphenyls (PCBs);
- (b) Pharmaceuticals, pesticides, herbicides and other hazardous substances subject to international phase-outs or bans;¹⁴
- (c) Ozone-depleting substances subject to international phase-outs regulated by the Montreal Protocol;¹⁵
- (d) Wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); and
- (e) Transboundary trade in waste or waste products, as defined by the Basel Convention;¹⁶
- (VII) Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests;
- (VIII) Production or trade in wood or other forestry products other than from sustainably managed forests;
- (IX) Production or trade in alcoholic beverages (excluding beer and wine), tobacco or drugs;
- (X) Marine and coastal fishing practices such as blast fishing, large-scale pelagic drift net fishing using nets in excess of 2.5 km in length or fine mesh net fishing harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats;
- (XI) Trade in goods without required export or import licenses or other evidence of authorization of transit from the relevant countries of export, import and, if applicable, transit;
- (XII) Production of, trade in or use of unbounded asbestos fibres;
- (XIII) All mining, mineral processing and extraction activities;
- (XIV) Production or trade in radioactive materials;¹⁷
- (XV) Gambling, casinos and equivalent enterprises, trade related to pornography or prostitution;
- (XVI) Money laundering, terrorism financing, tax avoidance, tax fraud and tax evasion;
- (XVII) Production and distribution, or investment in media that are racist, antidemocratic or that advocate discrimination against an individual, group or part of the population;
- (XVIII) Activities prohibited by host country legislation or other legally binding agreements regarding genetically modified organisms (GMOs);
- (XIX) Production of or trade in palm oil, unless from growers and companies with internationally recognised certification,¹⁸ or undergoing certification;¹⁹
- (XX) Production of soy in the Amazon region or trade in soy produced in the Amazon region, unless from growers with internationally recognized certification.²⁰

14. Relevant international conventions include the: United Nations Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); Stockholm Convention on Persistent Organic Pollutants; and WHO Classification of Pesticides by Hazard. A list of pesticides, herbicides and other hazardous substances subject to phase-outs or bans is available at www.pic.int

15. A list of the chemical compounds regulated by the Montreal Protocol, together with details of signatory countries and phase-out target dates, is available from UNEP.

16. See www.basel.int

17. This does not apply to the purchase of medical or veterinary equipment, quality control (measurement) equipment and any similar equipment where the radioactive source is trivial and/or adequately shielded.






18. For example, Round Table on Sustainable Palm Oil (RSPO).

19. This includes growers and companies that have initiated such certification process.

20. For example, Round Table on Responsible Soy Association (RTRS).



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

November 2023

