

International Fund for Agricultural Development

COMMUNITY REQUEST FY 2020

\$30 M

FY 2020 President's Request: N/A

FY 2019 Enacted: \$30 Million

DESCRIPTION

In partnership with recipient governments, the International Fund for Agricultural Development (IFAD) mobilizes billions in loans and grants to support programs and projects in rural areas empowering people to grow more food, better manage their land and natural resources, learn new skills, start small businesses, build strong organizations, and gain a voice in decisions that affect their lives. All IFAD projects are country-led and country-owned.

WHAT DOES THIS BUY?

Provides loans, grants, and other financial instruments through implementing partners to fund projects in rural areas of member countries.

JUSTIFICATION FOR THE REQUEST

- Funds will go toward the second of three installments for IFAD's 11th Replenishment (IFAD-11), which runs from FY 2019-2021.
- IFAD is the world's **second largest multilateral investor in food and nutrition security** and is one of the top multilateral institutions working in agriculture in Africa.
- IFAD has trained 2.5 million people in crop production practices and technologies, improved the management of 3 million hectares of common-property resource land, constructed or repaired 14,000 kilometers of roads, helped 91,000 microenterprises gain access to business promotion services, and trained 1.9 million people in community management.
- IFAD has **contributed \$19.7 billion in loans and grants and mobilized an additional \$27.1 billion in cofinancing** and domestic sources. In 2017, about half of its funds went to Africa and 35% went to fragile states.
- Fifty percent of people receiving services from IFAD-supported projects are women.
- The financing gap that prevents small rural producers and businesses in developing countries from growing their operations is estimated at \$150 billion.
- Although most of the world's population lives in urban areas, almost 60% of the people affected by conflict live in rural settings.

THE AMERICAN IMPACT

- IFAD funds increase resilience and maintain food security reducing the need for the U.S. to fund emergency assistance to vulnerable populations in the future.
- Child undernutrition slows economic growth and perpetuates a cycle of poverty through loss of productivity with poor physical status, loss of cognitive function, decreased schooling, and increased health care costs over time. Economists estimate that stunting alone can decrease a country's GDP by as much as 12%.



Looking to the Future

International Fund for Agricultural Development – TITLE V

BOLD VISION

While progress has been made, additional investment could fill the significant development gap that rural populations face, affecting their well-being as well as ensuring their access to markets.

- Rural development is central to ending hunger and poverty, and crucial to meeting the Sustainable Development Goals by 2030. IFAD is focused on reaching rural communities, where 80% of the world's poorest people live. **IFAD programs transform rural communities economically and socially**, and promote gender equality and inclusiveness.
- One of the biggest challenges facing the future of global development is the rising youth population. Most youth live in the rural areas of low and middle-income countries and they are two to three times more likely to be unemployed than adults. IFAD programs invest in rural areas, and develop strong rural economies with attractive employment prospects for young people.

IMPACT OF CUTS

Cuts reduce the number of programs available and/or the number of beneficiaries served, which currently includes about 7 million producers and 3 million small farmers. Cuts mean that more people could go hungry due to drought and fewer people could receive training in crop and livestock technologies or have access to financial services.

¹ "Annual Report 2017," IFAD. https://www.ifad.org/documents/38714170/40324464/AR2017_fullreport_e_W.pdf/1a9f6c5b-f8dc-4318-98da-4530dd9ca575.

474 million people are estimated to be direct beneficiaries of IFAD.¹

5 YEAR FUNDING HISTORY

