

# INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

MINIMUM REQUIREMENT FY 2021

# \$40 MILLION

FY 2020 President's Request: N/A  
FY 2020 Enacted: \$30 Million

## WHAT IS THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT?

In partnership with recipient governments, the International Fund for Agricultural Development (IFAD) provides more than \$1 billion in loans and grants annually to support programs and projects in rural areas that empower people to grow more food, improve nutrition, better manage natural resources, learn new skills, start small businesses, build strong community-centered organizations, and gain a voice in decisions that affect their lives. All IFAD projects are country-led and country-owned. Projects are designed in consultation with small-holder farmers and other rural beneficiaries with a strong focus on inclusion.

## WHAT DOES IT BUY?

U.S. contributions to IFAD are used to make loans to sovereign governments to fund projects in rural areas of member countries. Those loans are supplemented by grants and other financial instruments through implementing partners. 90% of core resources go to low-income and lower-middle-income countries. Funds will go toward the third and final installment for IFAD's 11th Replenishment (IFAD-11), which extends from FY 2019-2021.

## WHY IS IT IMPORTANT?

- ▶ 80% of the world's poorest people live in rural areas.
- ▶ IFAD's ongoing projects are valued at \$15.2 billion, benefitting 97.9 million people in 92 countries.
- ▶ Each year, IFAD's investments increase the production of 15 million small-scale producers, raise the value of sales for 16 million beneficiaries, improve the resilience of 9 million beneficiaries, and raise the income of 20 million rural women and men by at least 20%. More than 50% of the beneficiaries are women.
- ▶ IFAD projects provide financial services to 16.1 million savers and 7.7 million borrowers, assist 1.5 million people adapting to climate change, train 2.6 million people in improved crop and livestock production and enable rural people to access markets by building "last mile" rural roads and strengthening microenterprises.
- ▶ IFAD received one of the strongest assessments from the Multilateral Organization Performance Assessment Network (MOPAN) in its 2017-2018 cycle, in which MOPAN assessed 14 multilateral organizations. MOPAN found that "IFAD is an agile, responsive, and well-performing organization... [and IFAD's] strategy, organizational architecture, and operating model are all very well geared to deliver IFAD's mandate."

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## WHY SHOULD AMERICANS CARE?

- ▶ IFAD funds increase resilience, improve food security, and contribute to poverty reduction—ultimately lessening the need for U.S. emergency food and security assistance to vulnerable populations in the future.



# LOOKING TO THE FUTURE

## TITLE V – International Fund for Agricultural Development

### WHY SHOULD AMERICANS CARE? (cont.)

- ▶ U.S. producers and consumers benefit from the economic development of rural areas in developing countries. In the past 20 years, U.S. agricultural exports to developing countries grew by 103% while exports to developed countries increased by only 19%.

### WHAT MORE COULD BE DONE?

- ▶ IFAD has calculated that to meet the targets under U.N. Sustainable Development Goal Two for food and nutrition security, its core program of loans and grants will need to double by 2030. A \$10 million increase in the U.S. contribution would not only expand IFAD’s funding but also serve as a signal of U.S. leadership to other donor countries to increase the flow of resources to the world’s smallholder farmers, via a high-performing, catalytic institution.
- ▶ Greater financing is needed to address unique challenges in rural areas. One problem is the rising youth population. The “youth bulge” disproportionately affects the rural areas of low- and middle-income countries, where youth are two to three times more likely to be unemployed than older adults. IFAD programs create opportunities for rural youth while strengthening rural economies—reducing migration pressures and improving economic outcomes for young people.

### 6 YEAR FUNDING HISTORY

(In millions)

