

Italy and IFAD

IFAD11
FIDA11

 **IFAD**
Investing in rural people



THE ITALY-IFAD PARTNERSHIP

Italy and IFAD share a commitment to a world where people can exercise their right to safe, nutritious and sufficient food and live decent lives. Since IFAD was established in 1977, Italy has played a crucial role in contributing to the Fund not just as host country and top donor, but also as a long-standing leader in financial innovation and inclusive agri-food value chain development. Italy welcomes over 500 staff from IFAD's 176 Member States, of whom 29.3 per cent are Italian. Every year during the IFAD Governing Council in Rome, Italy facilitates the convening of delegations from around the world, together with representatives of farmers' and indigenous peoples' organizations.

A founding member of IFAD, Italy has pledged a total of US\$615.6 million to the Fund's replenishments. Since 1994, through an additional US\$61.2 million in supplementary funds, Italy has also supported more than 220 initiatives, leveraging a further US\$470 million. Every dollar from Italian voluntary contributions has mobilized eight additional dollars through IFAD and the Fund's governmental and non-governmental partners. The supplementary funds have been key to strengthening farmer organizations, and promoting financial inclusion, employment opportunities, innovation and food security, especially in sub-Saharan African countries such as Burkina Faso, Ghana, Guinea, Guinea Bissau, Kenya, Liberia, Mauritania, Niger, Sierra Leone, Somalia and Sudan.

As a member of IFAD's Executive Board, chair of the Fund's Audit Committee, and member of the Working Group on the Transition Framework, Italy provides strong leadership in particular to ensure the Fund's financial sustainability and transparency, and to develop tailored approaches on innovative financing mechanisms.

With strong support from Italy, IFAD is recognized as the primary global vehicle for investments in smallholder agriculture that build partnerships and mobilize additional resources. Because it works exclusively in rural areas, where 80 per cent of the world's poorest people live, IFAD has a key role to play in the 2030 Agenda and particularly in Sustainable Development Goals 1 and 2: ending poverty and hunger by 2030.

Photo: ©IFAD/Susan Beccio

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)

Italy's total contributions and voting power

Contributions

IFAD11: US\$66.6 million, including US\$3.1 million under the Debt Sustainability Framework

Total: US\$615.6 million in core contributions, including US\$40.0 million to the Special Programme for sub-Saharan African Countries Affected by Drought and Desertification

Other resources

US\$61.2 million in supplementary funds for more than 220 projects
US\$6.8 million to support 28 young professionals

About €107 million to reimburse HQ-related expenditures

Share of votes

Percentage of total: 4.0%
Percentage of List A: 8.1%

Participation in IFAD's governing bodies

- Executive Board
- Member and Chair of the Audit Committee
- Working Group on the Transition Framework

TACKLING WORLD POVERTY TOGETHER

Over the years, Italy and IFAD have strengthened joint policy dialogue efforts to put finance for food and inclusive rural development at the top of the development agenda. In 2008, in the lead up to Italy's Presidency of the G8 and the L'Aquila Food Security Initiative, Italy boosted its contribution to IFAD8 (2010-2012) to US\$80 million, from US\$51 million in IFAD7, funding work to enable small farmers to increase production and take advantage of rising food prices. In 2017, Italy and IFAD worked in partnership to reaffirm Italy's role as the global hub for sustainable food systems, to assess the interlinkages between agricultural development and migration, and relaunch agriculture risk management as a key tool to build resilience and prevent crises.

In 2014, together with the World Bank, the Italian Ministry of Economy and Finance and IFAD organized an event to explore how to transfer pull mechanisms from the health to the agricultural sector. At IFAD, this resulted in a fine-tuned approach to public-private-producers partnerships (4Ps). The conference was followed by an event co-organized at EXPO Milan 2015: Finance for Food. And in January 2017, at the international conference on Investing in Inclusive Rural Transformation – organized with the Brookings Institution and the University of Warwick – Italy and IFAD jointly announced the establishment of the Smallholder Agricultural Finance and Investment Network (SAFIN).

Piloting innovation and scaling up success are priorities for Italy and IFAD. There are numerous examples of Italian supplementary funds promoting rural financial inclusion. For example, as part of a US\$6 million strategic programme to improve smallholders' access to microfinance, inputs and markets, Italy financed warehouse schemes in Burkina Faso, Mauritania and Sudan.

The reform of the Italian development cooperation system in 2014 created an opportunity for Italy and IFAD to join forces in Niger, one of the world's poorest countries. Through highly concessional loans, complemented by technical assistance from the Minister of Foreign Affairs and International Cooperation, and expertise from the Italian Agency for Development Cooperation, together with additional funds from the European Union-Africa Infrastructure Trust Fund in collaboration with Cassa Depositi e Prestiti, Italy and IFAD are working to improve rural infrastructure and market access across the country. As part of the reform, IFAD is also expanding its network to include Italian universities and research institutes, as well as engaging with Italian cooperatives and companies to tap into their expertise in sustainable rural transformation for the benefit of rural poor people and their organizations.

Around 25-30%

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



Photo: ©IFAD/Nana Kofi Acquah

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 **464 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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