

Asia Needs-based Finance Investment Forum:

IFAD-CEFs Partnership & Offerings

Anupa Rimal Lamichhane
Lead Regional Environment and
Climate Specialist



IFAD's Value Proposition [1/2]

Invests and facilitates sustainable rural development through specialized focus on agriculture and targeting of the poorest and most marginalized populations.

IFAD-13 focuses on core areas of comparative advantage

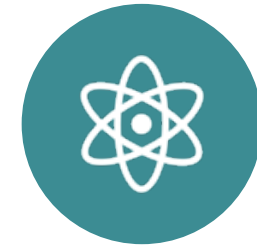
- Sustainably improve ag productivity.
- Integrate small-scale producers into commercial value chains.
- Financing for climate & biodiversity.
- Drivers of fragility.
- Private sector engagement in rural areas.
- Intensified focus on innovation.



Focus on people living in rural areas, and rural development



Rural development through the coverage of mainstreaming areas

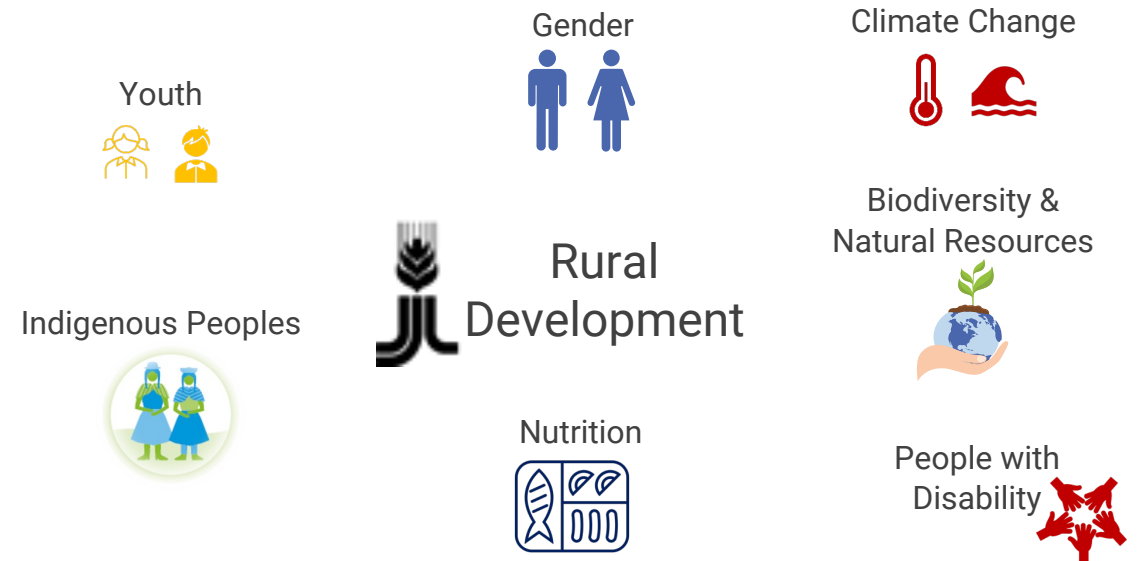


Long-term relationships with governments respecting their ownerships.

IFAD's Value Proposition [2/2]

- **Long-term and strategic partnership with governments, rural civil society organizations, financial institutions (banks, microfinance institutions), private sector, other IFIs (Asian Development Bank, World Bank), and Climate and Environment Funds (CEFs).**
- **Systematic measurement of results and impact.**

United Nations Agency
+
International Financial Institution (IFI)



IFAD contributes to SDG 1, 2, 4, 7, 8, 9 and 13



IFAD13 Ambition

Contributions

Total new replenishment financing

Core Contributions

Additional Climate Contributions

Concessional Partner Loans

IFAD12
(US\$mIn)

IFAD13
US\$mIn)

1 350

2 005

1 257

1 655

150

93

200

PoLG

Total PoLG

3 350

3 640

PoW

Total PoW

8 375

9 880

Impact

Goal: Millions of people with increased income

86 - 93

101

Ambitious call to mobilize

US\$2 billion in new funding

supporting a US\$10 billion programme of work, impacting over

100 million rural people

*Total pledges as of Sept. 2024:
US\$1.4 billion*

IFAD's Active Portfolio [July 2024]

Investment portfolio dimensions



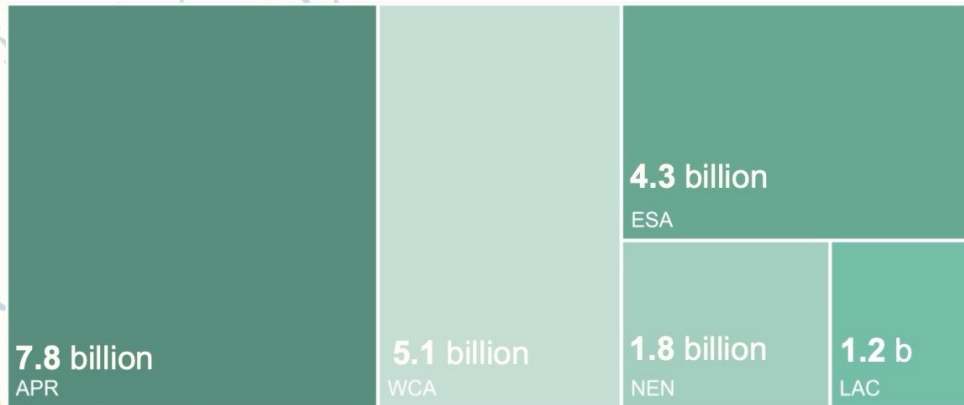
Financials



Rural development and credit financial services projects represent most of the financing

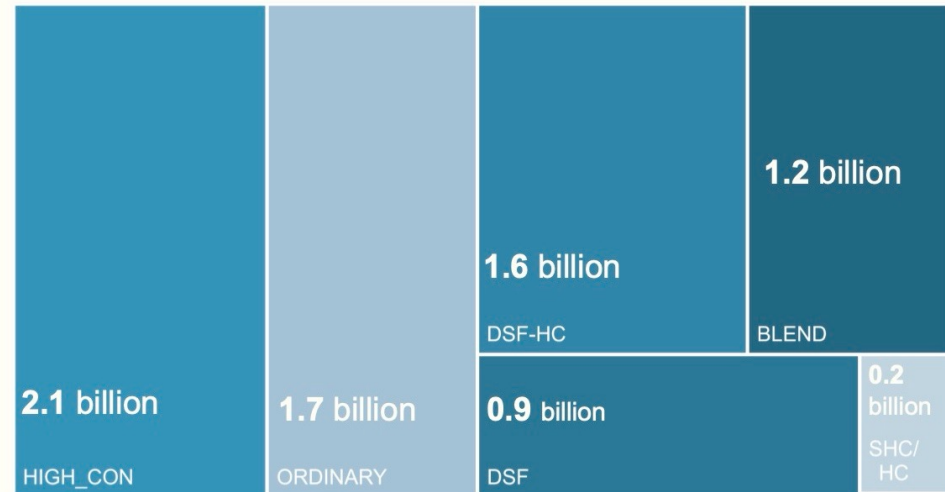
Active portfolio by region

TOTAL financing



Active portfolio by Financing Terms

IFAD financing



As at date 18th June



IFAD's Asia-Pacific Portfolio [November 2024]

Current investment portfolio

- 20 Country Programmes
- 52 Projects

Current total financing

Approx. US\$ 8.38B.

- IFAD – US\$ 2.7B
- Domestic – US\$ 3.9B
- International – US\$ 1.8B

Main co-financing partners

- WB: US\$ 620M
- ADB: US\$ 601M
- EIB: US\$ 136M
- IsDB: US\$ 71M



Country classification

1 LIC, 15 LMICs, 4 UMICs

Climate Finance

Ongoing: GEF (US\$ 21.2M), AF (US\$ 4.6M)

Pipeline: GCF (US\$ 160M), GEF (US\$ 40M), AF (US\$ 13.3M)

Outreach

40.2 M beneficiaries – cumulative outreach at end-2023

Regional grant programme

IFAD: US\$13.1 million

8 active grants

IFAD's Outreach in LICs and LMICs

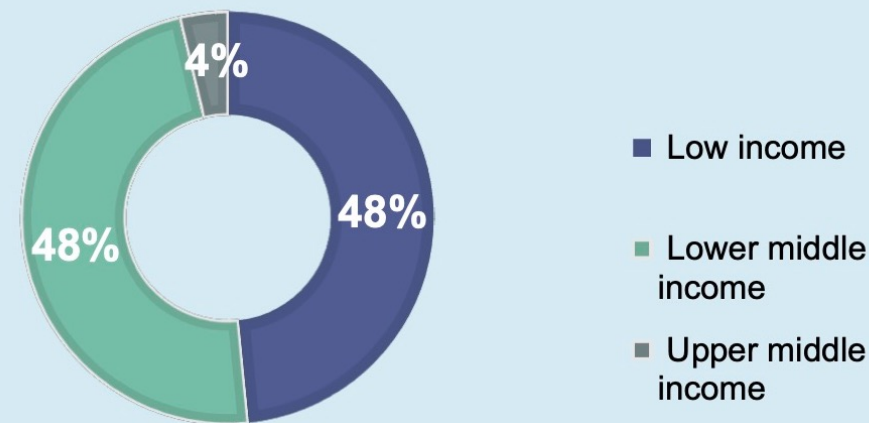
Ongoing IFAD projects reached **95.6 million people** driven by projects in LICs and LMICs and from credit and financial services

➤ **45% of outreach from 5 projects** based in Ethiopia, Bangladesh, Malawi and Zambia



➤ **Credit and financial services projects** still contribute most: **40%** of total outreach

IFAD outreach by income category



IFAD-13 will aim to increase core resources for fragile situations from 25% to 30%.

IFAD's Climate, Environment and Biodiversity Proposition

01

Acts on the Climate, Biodiversity and Environment nexus

- **Integrated Climate, Environment and Biodiversity Strategy 2025-2030.**
- Roadmap for **Paris Alignment**.

02

Aligned with global & MDB methodologies and standards

- Social, Environmental and Climate Assessment Procedures (**SECAP**).
- Adopted **MDB Climate Finance methodology**, linked to Results Framework.

03

Blends Climate-specific Grant Funding

- **ASAP+ and VACS:** Multi-donor Trust Funds that provide dedicated CCA and/or CCM funding to IFAD projects.
- **RAMP:** Initiative to help lower methane emissions from agriculture and small-scale farming.

04

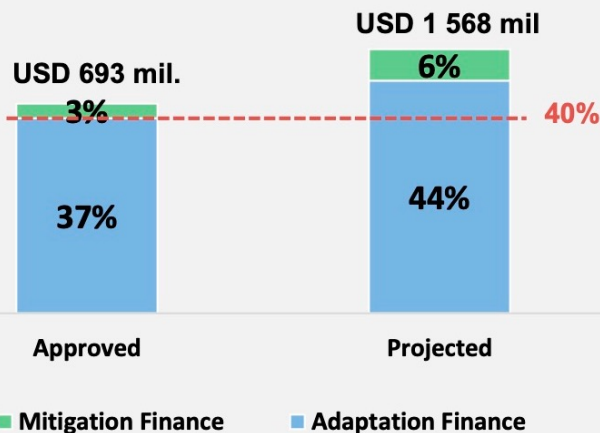
Mobilizes Climate-specific Concessional Loans

- **Additional Climate Contributions:** A new core financing instrument in IFAD13, providing 100% climate financing.

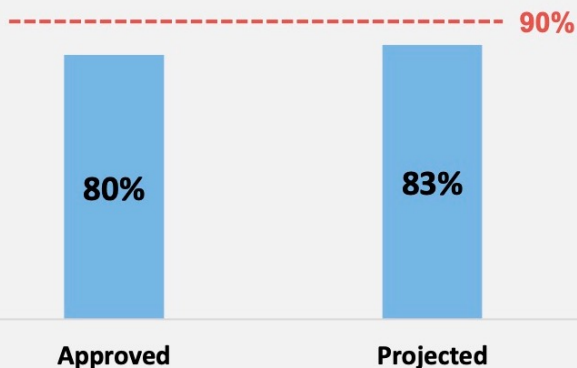


IFAD's Climate, Environment and Biodiversity Targets

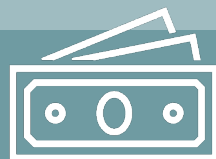
IFAD12 Climate Finance



IFAD12 Progress on building adaptive capacity



IFAD-13



45% of IFAD13 PoLG to be climate-focused



100% of projects will mainstream climate concerns



90% of projects designed to build adaptive capacity



100% COSOPs fully align with NDCs, NBSAPs, NAPs, etc.



30% of IFAD's climate finance will support Nature-based Solutions (NbS)

IFAD-GCF Partnership



ACCREDITED SINCE 2016

Size

Micro Small Medium Large

Environmental and social risk category

Category C Category B Category A

Intermediation 3 Intermediation 2 Intermediation 1

Fiduciary standards

Basic Project management Grant award

On-lending/blending: Loan Equity Guarantee Blending

IFAD-LED GCF PORTFOLIO OVERVIEW

Approved
Projects

11

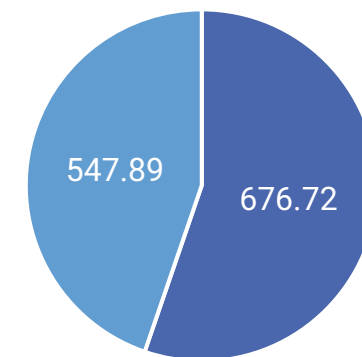
Project
Funding (\$)

1.224
Billion

Number of
Beneficiaries

24.03
Million

Project Funding US\$



■ Co-Financing ■ GCF Financing

Under
Implementation

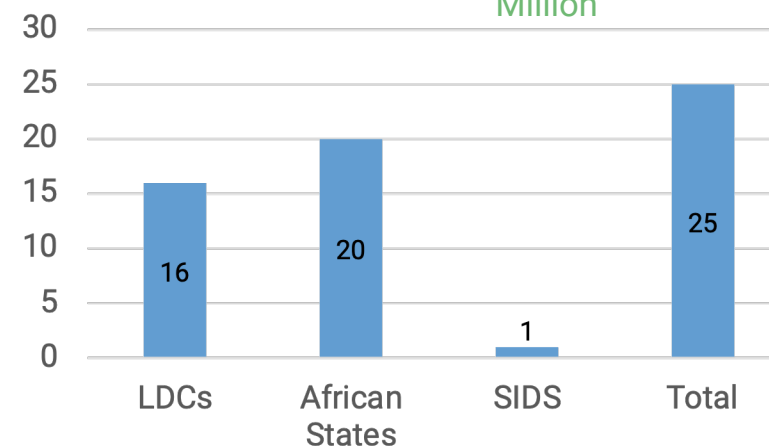
75%

With PPF
Support

13%

Disbursed
Amount (\$)

48
Million



■ # of Countries (unique)



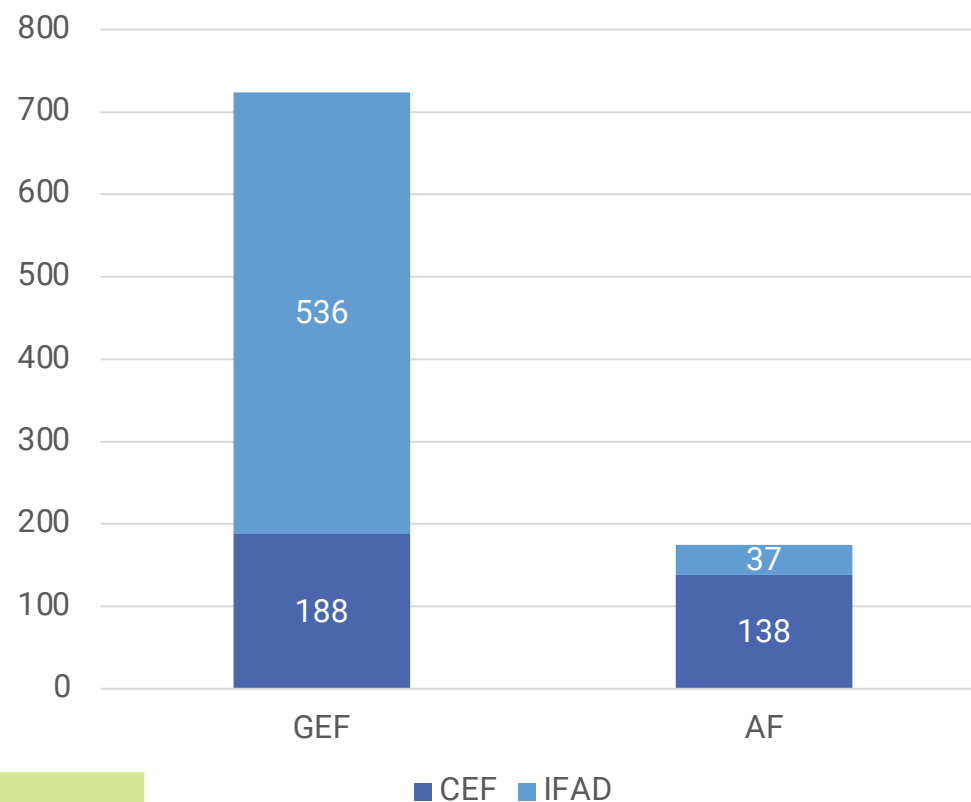
IFAD Partnership with GEF and AF



CEF ● AF

ACCREDITED SINCE 2010
FIRST PROJECT APPROVED IN 2012

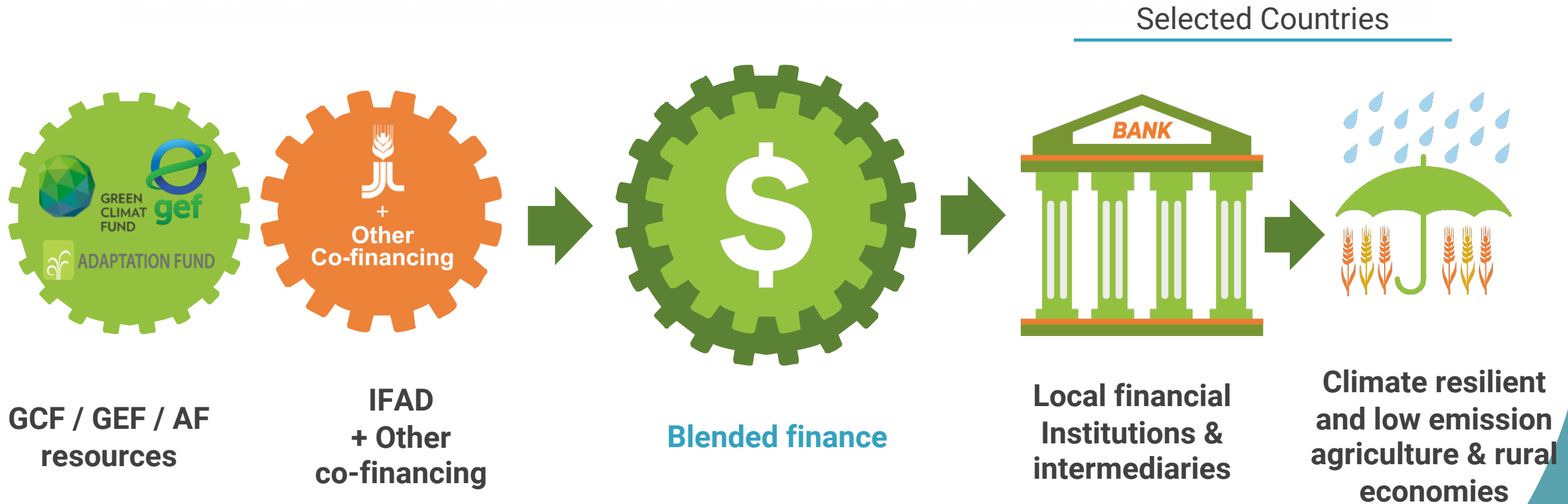
Total CEF Investment (US\$)



CEF ● GEF

ACCREDITED SINCE 2004
FIRST PROJECT APPROVED IN 2005

IFAD's Greening Approach and CEF Business Model



Financial Additionality: Assembles financial resources to provide credit at terms which enable sustainable private CCA lending for the CCA activities of the target groups.

IFAD and CEFs: Non-Financial Additionality [1/2]



- **Convener role** to international investor partners.
- **Capacitates partner Financial Institutions** that are GCF Direct Access Entities.



- State-of-the-art analysis of Climate Context and GHG analysis (FAO's EX-ACT).
- Promotes Gender Transformative and Inclusive approaches.
- Strengthens institutional ESG policies, standards and management systems.



- **Partners with regional & international Accredited Entities** (AfDB, AIIB, FAO, GIZ).
 - Aligns with and leverages project outputs of others (e.g., CIEWS in Cambodia).
 - Co-finances CEF projects (e.g., GIZ-led GCF project in Laos PDR co-financed by IFAD).
 - Ensures long-term investments and programmatic approaches (e.g., ASEAN Peatlands through AF, GEF and IFAD grant).

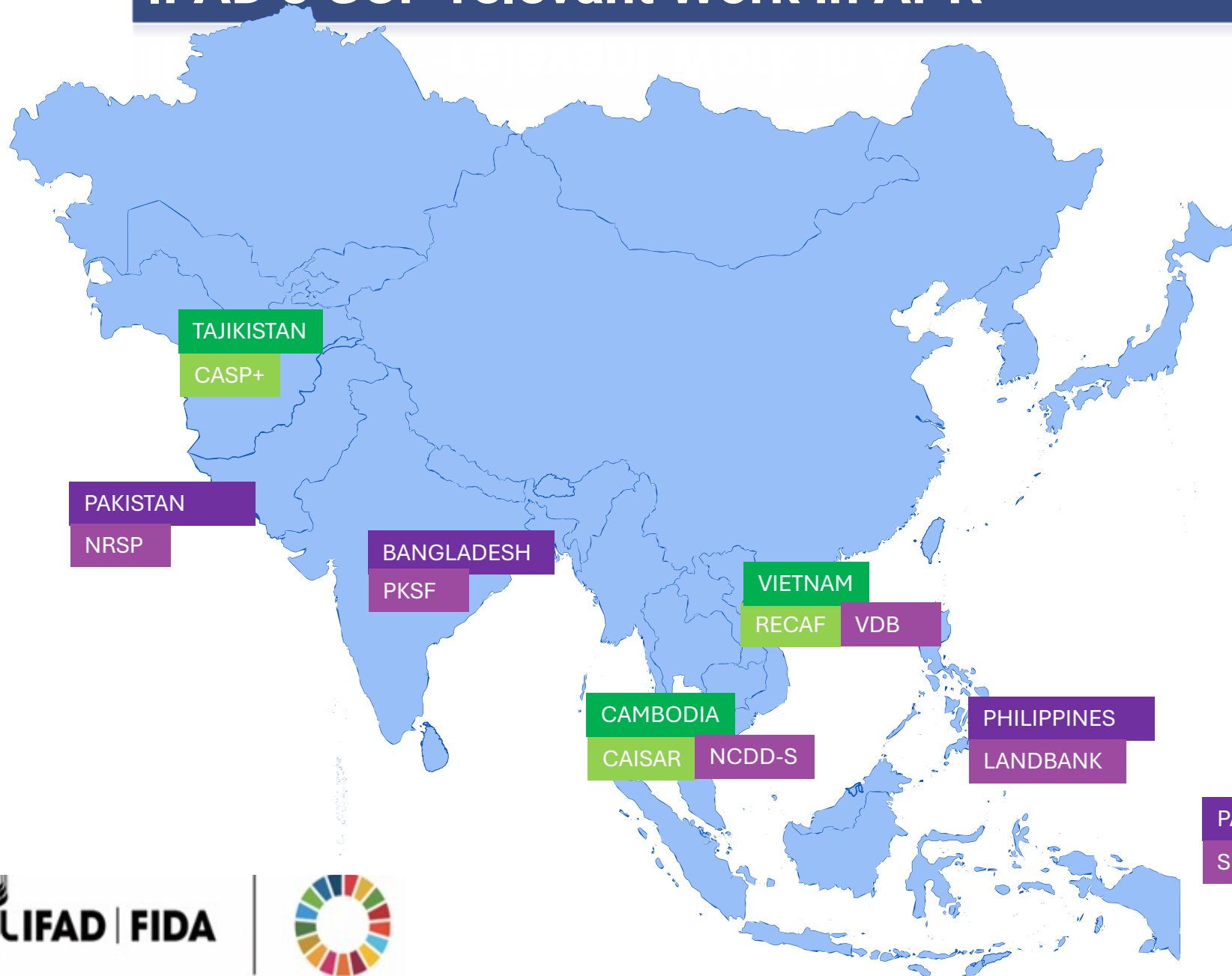


IFAD and CEFs: Non-Financial Additionality [2/2]

- **Mobilizes IFAD Climate Facility (ICF)** under IFAD11 regular grant.
 - US\$ 10M enhanced IFAD's capacities to engage with GCF, primarily for LICs and LMICs.
- **Leverages IFAD's internal learnings and experience.**
 - Private Sector Operational Strategy 2025-2030: enhanced focus on functioning ecosystem for farmers and local MSMEs towards climate resilience.
- **Designs full concept where there is a lack of CCA concept.**
 - Also, assesses financial viability and exit strategy.
- **Develops CCA taxonomy** based on IFAD's extensive technical knowledge and experience in CCA solutions.
- **Organizes policy dialogues and knowledge exchange** on rural CCA financing to ensure dissemination of lessons learnt and best practices.



IFAD's GCF-relevant Work in APR



KEY

Country with IFAD-led GCF project

Country where IFAD works with GCF DAE

IFAD-led GCF project name

Name of the DAE partner

IFAD's GCF-specific Priorities



ALIGNMENT WITH GCF USP-2

- **Adaptation** focus.
- Targeting **LDCs** and **SIDS, fragile contexts**.
- Engage with **DAEs** (accredited, pipeline).
- Accelerating Implementation.
- Balance results areas / sectors / geographies.
- Scalability, Additionality, Country Ownership.
- **Synergies with other CEFs.**

Of course,

- Alignment with IFAD-13 Priorities and Country Strategic Opportunities Programme (COSOP).
- Implementation track record.
- Request from Technical Ministry and Focal Points / Designated Authorities.

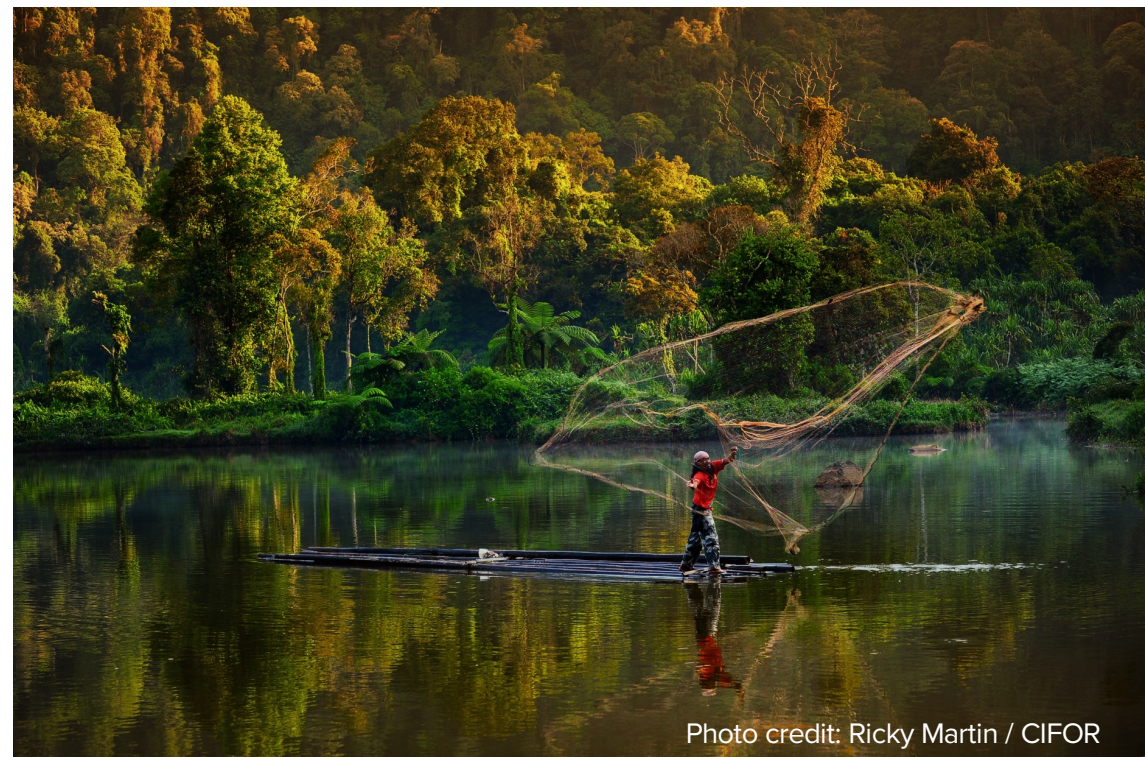


Photo credit: Ricky Martin / CIFOR



APR-LDCs & South-east Asia: IFAD's Priorities for CEFs

Calibrate to **country's absorption capacity**: CEF grants can serve as a bridge for future IFAD investments.

Increase concessionality of IFAD's overall financing package: strong demand from governments, particularly in LDCs and SIDS.

Align with regional needs in LDCs and SIDS, leveraging IFAD's long-term experience.

Provide **strong rationale for multi-country projects**: internal requirement.

Leverage and Innovate: diverse financing instruments and private sector partnerships.

Scale lessons beyond countries and the region: IFAD-led, GCF-Belize & lessons for Asia-Pacific SIDS.

Thank you for your attention



Photo credit: Mokhamad
Edliadi/CIFOR