

# Investing in rural people in Ukraine

Near East, North Africa, Europe  
and Central Asia (NEN) Division

15 October 2024

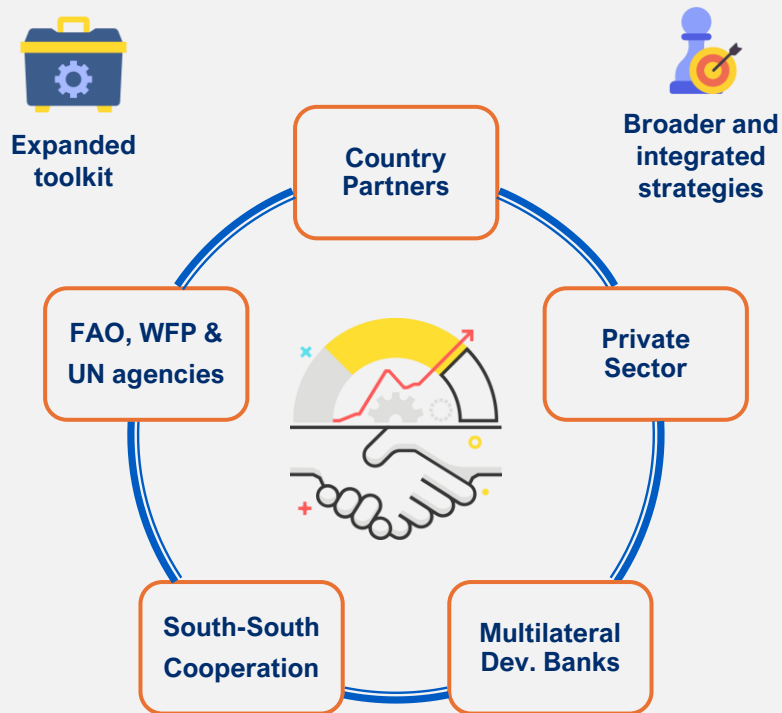
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# Driving IFAD's improved adaptability to changing needs to leave no one behind



## IFAD13 Theory of Change



### Rural resilience for a food-secure future

#### Building resilience in vulnerable communities

##### Enhance focus on fragile contexts

Supporting resilient rural livelihoods in the face of shocks and crises

##### Investing in climate resilience and biodiversity

Enhancing climate resilient practices, protecting global biodiversity

##### Increasing engagement with the private sector

Creating economic opportunities and jobs

#### Ensuring inclusion

##### Assembling and leveraging development finance

Expanding core contributions  
Leveraging to expand the PoW  
Allocating to those most in need  
Increasing private sector and climate finance



##### Integrated country programmes

Implementing an integrated PoW  
Enhancing adaptive management  
Increasing sustainability and scalability



##### Organizational effectiveness and efficiency

Strategic budgeting reforms  
Enhancing workplace culture  
Diversity, equity and inclusion



# HOW WE WORK

Focusing on high-quality delivery



## Targeting

- New Targeting Policy
- 100% of core resources to poorest countries
- Tackling pockets of poverty in UMICs with borrowed resources

## Mainstreaming

- Systematization and further integration in country-level approach
- Embed biodiversity considerations
- Continued engagement with indigenous people and persons with disabilities

# NEN Portfolio Overview



**18 Countries**  
**1 Territory**



**31 projects**  
**\$1.9B Total financing**

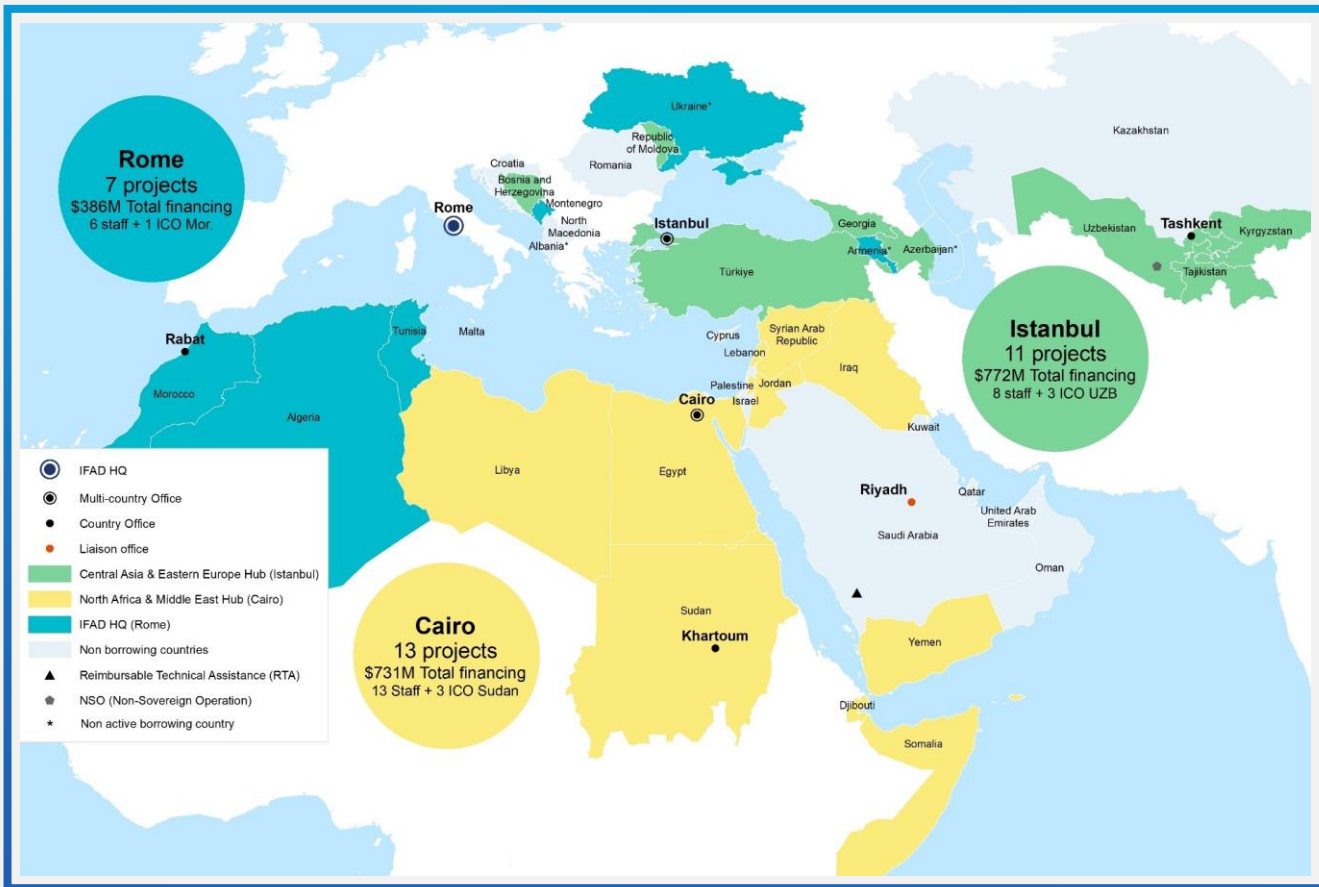
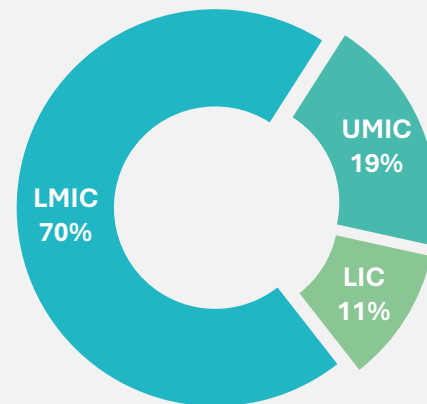


**\$964 M IFAD Financing**  
**1.05 Co-Financing Ratio**



**28% in Fragile Situations**

## NEN OVERALL INVESTMENT VALUE



# NEN's main operational partners



## Key partners for investments

### Ongoing portfolio

National Governments	\$ 290.3 M
IBRD	\$ 200.0 M
Beneficiaries	\$ 117.8 M
AFDB	\$ 90.04 M
Private Sector	\$ 67.23 M
Adaptation Fund	\$ 63.73 M
Dom. Financial Inst.	\$ 45.80 M

### Historical portfolio

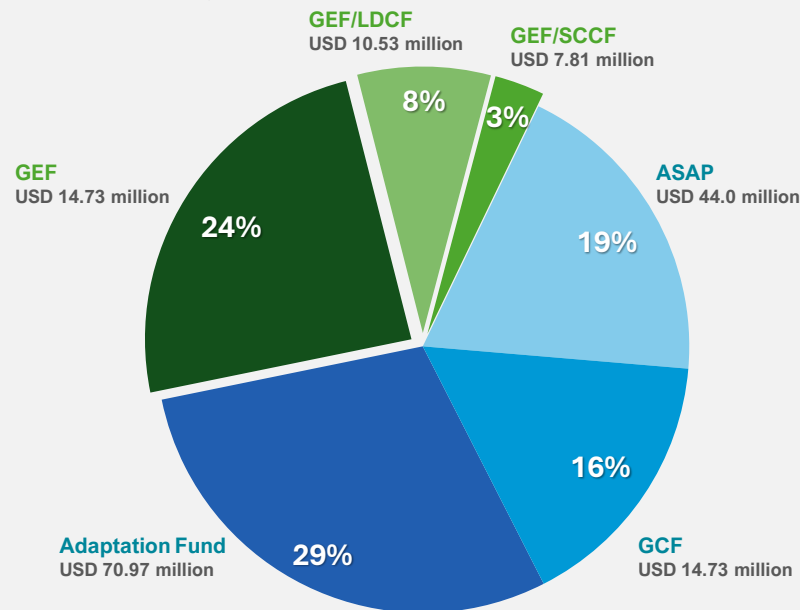
National Governments	\$ 2.61 billion
Beneficiaries	\$ 502.78 M
IBRD	\$ 406.44 M
IDA	\$ 403.62 M
AFESD	\$ 267.16 M
OPEC Fund	\$ 218.27 M
Local private sector	\$ 159.90 M
IsDB	\$ 141.92 M
Dom. Financial Institution	\$ 133.39 M
AFDB	\$ 123.14 M
AFD	\$ 121.40 M

ASAP: Adaptation for Smallholder Agriculture Programme

GEF: Global Environment Facility

LDCF: Least Developed Countries Fund

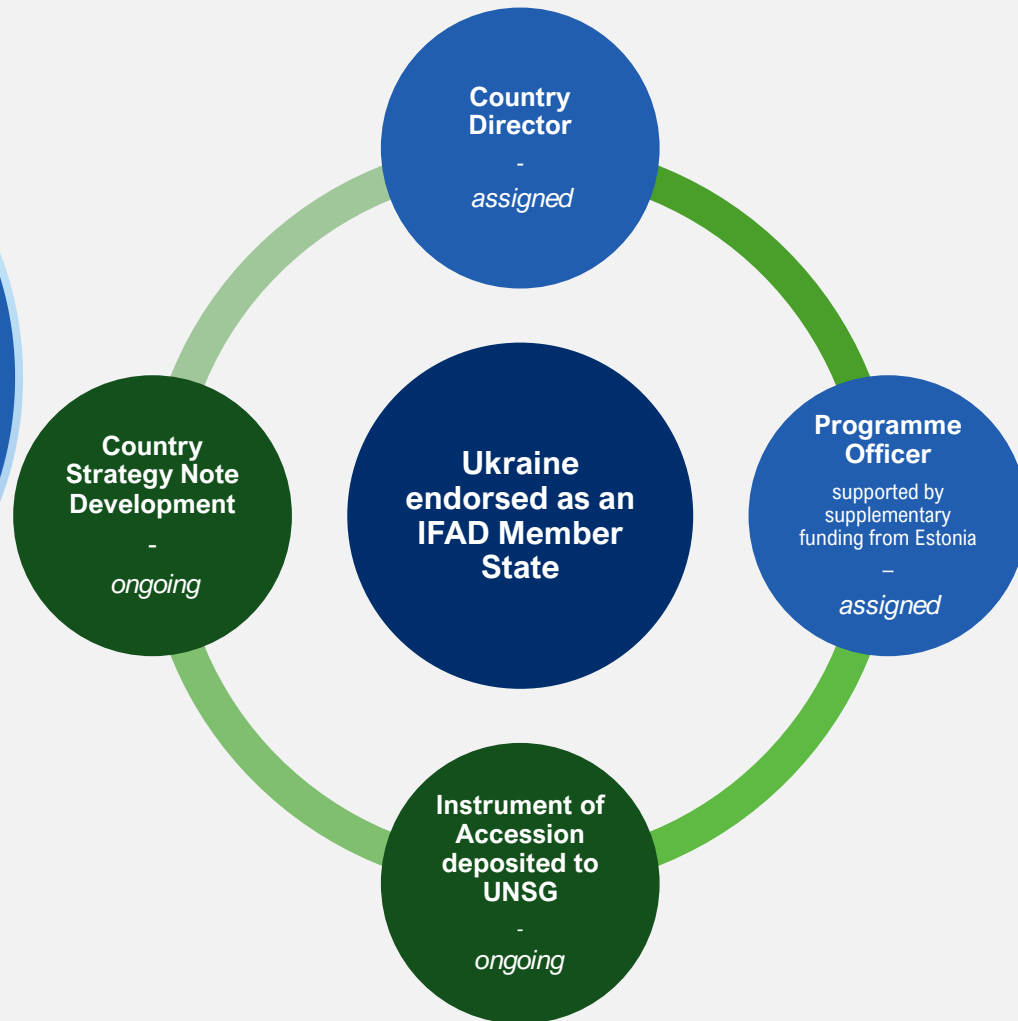
SCCF: Special Climate Change Fund



**TOTAL** ongoing and completed  
USD 244.9 million

# Ukraine

IFAD GC endorsed Ukraine as its 178th Member marking a significant step towards addressing the agricultural and rural development challenges within the country



# Ukraine: Impact, Challenges and Opportunities

## Impact

- **Poverty** increased by **1.8 million** people since 2020 (~29% of the population)<sup>1</sup>
- **7.3 million** people face moderate to severe **food insecurity**<sup>2</sup>
- 20% reduction in planting area, 10% decrease in livestock herds<sup>3</sup>
- **87% agricultural sector loss**; with total USD 80.1 billion damage and losses<sup>3</sup>
- **Projected GDP** for 2024: 3.2%<sup>4</sup>
- 3.31 million IDPs<sup>5</sup>



## Challenges

- Infrastructure damage
- Disrupted planting and harvesting
- Supply chain disruptions
- Limited access to agricultural inputs
- Loss of farmland
- Land contamination
- Environmental degradation
- Increased food prices
- Loss of Livelihoods
- Disrupted social safety nets
- Population displacement



## Opportunities

- Supporting local food production
- Investing in sustainable practices
- Promoting sustainable land management practices
- Market Access Initiatives
- Capacity building
- Rebuilding agricultural infrastructure
- Food Security and Access
- Community and Farmers Organizations involvement
- Support IDPs and host communities
- Empower women and youth
- Rebuild stronger and more resilient food systems
- Digital solutions



Source: [1] World Bank, and Kyiv International Institute of Sociology. 'Listening to Ukraine Household Phone Surveys (L2Ukr)'. Kiev: World Bank, 29 May 2024. [Available Here](#). [2] Food Security Cluster (FSC). 'Ukraine Monitoring Dashboard'. FSC, August 2024. <https://fsccluster.org/Ukraine>. [3] World Bank. 'Ukraine - Third Rapid Damage and Needs Assessment (RDNA3): February 2022 - December 2023'. Washington, D.C: World Bank Group, December 2023. [Available Here](#). [4] IMF. 2024. World Economic Outlook—Steady but Slow: Resilience amid Divergence. Washington, DC. April 2024. [Available Here](#). [5] IOM. 'Ukraine | Displacement Tracking Matrix'. IOM, 2024. <https://dtm.iom.int/ukraine>.



# Potential Interventions for IFAD

## FOCUS AREA

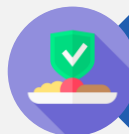
### IFAD13

IFAD's next funding cycle starting in 2025 presents opportunities for strategic interventions to support Ukraine's agricultural and rural development.



#### Agricultural Policies:

Supporting the development and implementation of policies that enhance agricultural productivity, market access, and resilience.



#### Food Security:

Investing in initiatives to improve food production, distribution, and access, particularly in conflict-affected regions.



#### Rural Infrastructure Development:

Strengthening rural infrastructure, including roads, irrigation systems, and storage facilities, to enhance productivity and market connectivity.



#### Livelihood Diversification:

Promoting diversification of livelihoods and income sources for smallholder farmers to reduce vulnerability and enhance resilience.



#### Environmental Sustainability:

Supporting environmentally sustainable agricultural practices and land management techniques to mitigate the impact of conflict and promote long-term resilience.



# Potential Interventions for IFAD

## Tailored Support

Interventions will be **tailored to address the specific needs and challenges** faced by Ukraine's agricultural sector, ensuring maximum impact and sustainability.

Collaboration with local stakeholders, government agencies, and international partners will be key to the success of these interventions.



### Geographical Focus:

- **Centre and Western regions**
- Specifically targeting **hilly and mountainous areas** near the west and south west of the country
- **Smallholders and house farms with higher poverty rates**, offering potential for targeted support.



### Short-Term Focus:

- In the short term, IFAD prioritizes **areas away from conflict zones**
- Here local farmers face **disruptions in value-chains, lack of inputs and limited access to production services**, presenting opportunities for IFAD's intervention on and off-farms
- Enhance overall agriculture sector's recovery, bolsters domestic food security, and creates employment opportunities



### Long-Term Engagement:

- Post-conflict engagement aimed at **supporting recovery efforts** in directly affected areas
- Collaborative discussions with the Ukrainian Government and key partners anticipate strategic planning
- Exploring alternative and additional resource mobilization for sustainable recovery and rebuilding efforts

# IFAD's Comparative Advantage



## *Agility and Experience*

- IFAD's agility and **ability to respond swiftly to changing circumstances** make it well-suited to tackle the urgent and evolving challenges
- Drawing on its experience in fragile situations, IFAD applies **lessons learned** to enhance interventions
- Initiatives like the **Rural Poor Stimulus Facility (RPSF)** and **Crisis Response Initiative (CRI)** demonstrate IFAD's capacity to provide timely support in crisis situations
- Efficient management of **supplementary funds** ensures timely financial assistance, while partnerships maximize impact and catalyze sustainable development

## *Policy Dialogue*

- IFAD contributes to national **food systems transformation** by engaging in policy dialogue, promoting sustainable and resilient agriculture
- Supporting Ukraine's sector adaptation and development efforts including EU accession.

## *Green Climate Funding*

- Collaboration with organizations such as the **Green Climate Fund (GCF)** and the **Global Environment Facility (GEF)** enables IFAD to explore alternative funding avenues and support Ukraine's rebound and recovery efforts

# IFAD's Comparative Advantage

*Focus on IDPs, Remittances and Social Inclusion*

## *IDPs and Remittances*



- IFAD's **Financing Facility for Remittances (FFR)** prioritizes initiatives that promote digitalization and accessibility of remittance channels, ensuring efficient and secure transfer of funds vital for rural livelihoods and economic recovery
- The **Facility for Refugees, Migrants, Forced Displacement, and Rural Stability (FARMS)** focuses on enhancing agricultural productivity, food security, and skills development for refugees and internally displaced persons, empowering them to contribute to the local economy

## *Targeted Populations*



- IFAD targets **vulnerable populations**, including smallholder farmers, through strategic interventions in horticulture, small ruminants, and poultry.
- Leveraging partnerships with **Farmers' Organizations**, IFAD fosters collective action to ensure sustainability.
- Support for **Small and Medium Enterprises (SMEs)** enhances employment opportunities, resilience, and productivity.
- Cross-cutting **focus on women and youth** involves developing targeted initiatives to harness their potential and create economic opportunities.

# Thank You

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