



Proposal for Australia to Re-join IFAD

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Australia is considering whether to re-join the United Nations' International Fund for Agricultural Development (IFAD). IFAD is a specialised agency of the United Nations that was established in 1977. It works with governments to develop and finance programs and projects that enable rural poor people to overcome poverty themselves through low interest loans and grants. Australia was a founding member of IFAD, but decided in 2004 to withdraw its membership due to a misalignment with the then-government's geographical and sectoral priorities as well as internal governance issues within IFAD. Australia's withdrawal came into effect in 2007.

In 2011 AusAID conducted a comprehensive review of IFAD to inform a decision on whether Australia should re-join the institution. The review found that since Australia's decision to withdraw, IFAD has implemented significant reforms and is now considered by donors and developing countries to be an increasingly effective, results-focussed, value-for-money partner. The review recognised that IFAD has a clear mandate to reduce rural poverty and hunger through working with smallholder farmers, who are disproportionately represented amongst the poor, vulnerable and food insecure. IFAD projects currently work with over 36 million poor men and women, supporting them to become food secure through increasing productivity, access to markets including microfinance, and business development. This approach is also well aligned with the specific priority on food security as a vehicle for sustainable economic growth and poverty reduction articulated in the Australian Government's aid policy statement.

Membership of IFAD would complement and considerably strengthen Australia's existing support for food security, rural development and poverty reduction by:

- directly contributing to Millennium Development Goal (MDG) 1 (to halve the proportion of hungry and extremely poor), MDG 3 (to improve gender

