

## **41<sup>st</sup> session of the IFAD Governing Council**

### **Statement on behalf of BENELUX**

This statement to the 41<sup>st</sup> Session of the IFAD Governing Council is made on behalf of the Governments of the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg. BENELUX has a longstanding tradition of working together on substantive issues both within the EU and in the wider international context.

This year's theme of the Governing Council is "From fragility to long-term resilience: Investing in sustainable rural economies".

Finding a solution to the key drivers of fragility is no easy task. In any event, it is evident that the agricultural model which is primarily focused on the production of food for individual families, without them being able to sell products within their community or beyond, will not provide a solution to these challenges. That is why a transition is necessary from a model of subsistence farming to one of entrepreneurial farming. This takes account of the fact that agriculture is an economic sector and, unlike any other, it is a sector, which has a direct impact on the stability of a country, public health, climate, gender equality and poverty reduction. Therefore, BENELUX sees great potential in the recent progress that has been made with regard to the establishment of the Smallholder and Small and Medium-sized Enterprise Investment Finance Fund (SIF), as a modality for direct investments in rural and agricultural SMEs. The Financing Facility for Remittances is another innovative example in this respect.

Rural areas actually have vast potential for economic growth pegged to food production and related sectors, and with the majority of the world's poor and hungry living in these areas, achieving the 2030 Development Agenda will hinge on unlocking that oft-neglected potential. There is ample evidence that changes to rural economies can have major impacts. Investing in rural development and the resilience of rural people is a direct way of addressing the root causes for some of the major challenges we face today, such as migration and conflict and instability. Against this backdrop, the value-added of IFAD, which is specialized in long-term resilience-building in vulnerable communities is clear and complements that of agencies focusing on emergency and humanitarian response work. Therefore, BENELUX expects IFAD to continue to play a leading role in the execution of the 2030 Agenda, in close collaboration with the other Rome Based Agencies and International Financial Institutions. In this context, BENELUX also encourages IFAD to ensure a stronger presence in partner countries, to provide enhanced technical assistance and to show leadership in knowledge sharing and capacity building on the ground.

Continued special focus needs to be placed on the role of women in the rural economy. It has been proven that reducing gender inequality is one of the best methods to promote food security and reduce rural poverty.

Like IFAD, BENELUX is convinced that investing in rural youth is a crucial factor for the delivery of the Sustainable Development Goals. Young farmers are effective agents of change, fast in adopting new technologies. The use of digital technology offers an enormous opportunity in the pursuit of rural development and food security. Therefore, BENELUX urges IFAD to integrate digital applications in agricultural and food security interventions.

To conclude, BENELUX welcomes the fact that IFAD is stepping up its engagement in national and regional policy dialogues and its active engagement in multilateral policy processes.