

## **Statement by the representative for Austria**

At the outset Austria would like to thank President Houngbo for his vision and leadership over the last year. Already in your first year as president of IFAD you introduced some important changes and we are convinced that your initiative of operational excellence will foster the high degree of accountability, efficiency, effectiveness and results on the ground that IFAD is known for, even more.

Ladies and gentlemen, Austria is assured about the key importance of sustainable agriculture for the economic development and diversification in developing countries and in particular in the most vulnerable and poorest regions. The sector is strategically important, because of its capacity to provide jobs and growth in rural areas, and agri-food jobs are urgently required for the rapidly growing young population. Without decent jobs in rural areas and the agri-food sector, these young people will migrate to cities and be lost to the rural economy. It is evident that that we encounter strong entrepreneurial spirit in rural areas. There is also an undeniable potential to transform agriculture and engage more with the private sector to create more jobs and growth. Growth however is often hampered by outdated farming methods, limited farming investments and a significant skills deficit. Therefore investment, capacity building and skills transfer is an urgent imperative.

The focus areas of IFAD, together with the strong results achieved in rural development are therefore the main reasons for Austria's support of IFAD. Austria is committed to stay a stable partner of IFAD. Austria has pledged 16 million Euros for IFAD 11 and thus maintained the strong support of IFAD in nominal terms compared to previous replenishments.

According to the World Bank, agricultural development is one of the most powerful tools to end extreme poverty, boost shared prosperity and feed a projected 9.7 billion people by 2050. Growth in the agriculture sector is two to four times more effective in raising incomes among the poorest compared to other sectors.

But agriculture-driven growth, poverty reduction, and food security face an important risk: Climate change could cut crop yields, especially in food-insecure regions. Agriculture, forestry and land use change are responsible for 25% of greenhouse gas emissions. Mitigation in the agriculture sector is part of the solution to climate change.

Austria therefore strongly supports the aim of IFAD to foster climate smart agriculture and to put particular emphasis on creating jobs in self and wage employment for rural youth and women. Better inclusion of women and the growing number of youth into food system jobs can raise productivity and improve peace and security. Against this background we welcome the intention of IFAD to intensify its collaboration with other players in the sector, like the African Development Bank, the World Bank, as well as other Rome-based agencies.

Against the background of limited ODA resources, we acknowledge the challenge for IFAD to stay engaged with all developing countries whilst focusing on the poorest and most vulnerable regions. We therefore support the discussions concerning the broadening of the resource base and welcome the sovereign borrowing framework. In addition, we consider the possibility of concessional partner loans as step in the right direction. Also, when it comes to mobilizing new resources on the capital market, we do urge a profound assessment of all risks involved and we do welcome the very cautious and pragmatic approach IFAD is taking. Moreover we welcome the discussion on a transition framework in order to ensure in an open and transparent manner that IFAD can deliver tailor-made support to all its client countries and accompany them on their development journey.