Written Statement by the Austrian Governor Edith Frauwallner

Ladies and gentlemen,

Austria is convinced that agricultural development is one of the most powerful tools to end global extreme poverty, boost shared prosperity and feed a projected 9.7 billion people by 2050. Growth in the agriculture sector is one of the most effective ways to raise incomes among the poorest.

Taking the African continent as an example, agriculture and the agri-food sector employ up to 75% of the labour force, while representing less than 33% of GDP. The high dependence of the population on agricultural income clearly shows that these sectors are key for sustainable development. At the same time, the growing African population, which is expected to increase to 4.2 billion people by 2100, brings tremendous potential for economic opportunity, business growth and investment. This is in particular so for the growing young population. Agriculture can help to bridge the gap between population growth and the needed job growth. Jobs in agriculture can create stable incomes and real prospects for the growing population on the continent.

To harness this opportunity, foster responsible investments and link African farmers to global markets and value chains, close cooperation and strong partnerships between governments, international financial institutions, international organisations, agribusiness and the private sector are needed. Only by working together and by creating the right incentives can responsible investment in African agri-business be increased. Austria very much welcomes the closer collaboration of IFAD with the private sector and other stakeholders, like the European Commission, in working towards this goal. Moreover, Austria encourages IFADs efforts in tailoring its financing activities to support borrowers’ demands and needs through an evolving operational and financial framework.

Having said that, poverty reduction through agriculture-driven growth is not an easy task. On the one hand, climate change and extreme weather conditions endanger crop yields, productivity, food security and livelihoods of small scale farmers. On the other hand, agriculture, forestry and land use change are responsible for 25% of greenhouse gas emissions. Mitigation in the agriculture sector therefore needs to be a key component of sustainable development.
Austria thus attaches great importance to the climate commitments that IFAD made during the replenishment of IFAD-11. It is essential for us that IFAD not only achieves the target of making 25 per cent of the Programme of Loans and Grants climate-focused. One equally relevant aspect for Austria is that IFAD deepens the climate focus of its investments. This includes the choice of crops and the way of farming which is being supported. Avoiding crops and farming practices which are potentially harmful to the environment and lead to soil degradation is of particular importance to us in this context.

Finally, we believe that the strong entrepreneurial spirit in farming communities brings great potential. More needs to be done to better connect smallholder farmers to information and communication technologies, to increase the uptake of advisory services and to extend the availability of affordable e-Agriculture solutions. Agriculture 4.0 can raise productivity and make rural employment more attractive to young people. However, the risks of digitalising agriculture also have to be addressed so that no one is left behind.

We hope that IFAD plays a pivotal role and raises its voice in the policy dialogue on these issues, ensuring that smallholders can reap the benefits of digitalisation and FinTech tools while at the same time ensuring the consumer protection of its clients.

Thank you.