

42nd session of the IFAD Governing Council

Statement on behalf of BENELUX

This statement to the 42nd 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. It underpins BENELUX's longstanding tradition of working together on substantive issues both within the EU and in the wider international context.

The theme of the 2019 Governing Council is "Rural Innovation and Entrepreneurship".

IFAD has a key role to play in supporting efforts by developing countries to reduce poverty and promote sustainable livelihoods. Poverty reduction in rural areas is increasingly linked to the ability of poor rural people - especially women and un- and underemployed youth - to gain, diversify and complement their sources of income through small enterprises (processing, trading, manufacturing and services, etc.). Developing sustainable enterprises in rural areas hence calls for a proactive strategy to reduce constraints on the entrepreneurial poor and provide them with, among other things, suitable business-related services.

IFAD has long recognized and advocates that rural people can build resilience and take charge of their own development once they have access to proper financing, markets, technology and information.

BENELUX congratulates the President of IFAD for the successful closing of the 11th Replenishment, which will provide the IFAD with the means to achieve these goals. This requires not only doing more and improving existing programmes, but also doing things differently. Investing in innovation, technology and small enterprise development plays a core role in this.

Like IFAD, BENELUX is convinced that investing in rural innovation and entrepreneurship 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 invites IFAD to integrate digital applications in agricultural and food security interventions.

In this vein, BENELUX welcomes the recent launch by IFAD of the world's first web-based tool, designed to collect and share agriculture and rural development solutions implemented in developing countries.

Furthermore, the BENELUX States welcome the establishment of the *AgroBusiness Capital Fund (ABC Fund)*, which will be officially launched during this Governing Council. As a modality for direct investments in rural and agricultural SMEs, the fund makes an important contribution to address the so-called missing middle.

The *Financing Facility for Remittances (FFR)* constitutes another innovative example, combining longstanding financial expertise with modern technologies, in order to provide an increasingly effective service to rural communities.

BENELUX is aware that 2019 will be a crucial year for IFAD in which the future financial and institutional architecture of IFAD will be further discussed and altered. Improving the financial viability of the Debt Sustainability Framework, enhancing IFAD's engagement with the private sector and working towards obtaining a credit rating are high on our agenda

Additionally, BENELUX looks forward to further cooperation in 2019 and beyond with all Member States and Management in order to improve systems and policies to prevent and respond to sexual exploitation, abuse and harassment in the development sector.

BENELUX encourages IFAD 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.

BENELUX wishes IFAD the best of success in these endeavours.