

**The 42nd Annual Meeting of
International Fund for Agricultural Development's Governing Council
Rome, Italy, 14-15 February 2018**

NATIONAL STATEMENT OF THE REPUBLIC OF INDONESIA

**By
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Governor of the Republic of Indonesia to
the International Fund for Agricultural Development**

**His Excellency Chairperson of the Governing Council,
His Excellency President Hounbou,
Distinguished Governors, Alternate Governors,
Ladies and Gentlemen,**

It is my great pleasure to deliver a National Statement on behalf of the Government of the Republic of Indonesia in the Forty Second Meeting of IFAD's Governing Council. At the outset, I would like to thank President Hounbou for his visionary leadership. We wish him all the best.

Poverty and hunger exist in a vicious cycle. Those living in poverty often face hunger as they cannot afford nutritious food for themselves and their families. On the flip-side, hunger fuels poverty as it's difficult for people to earn more money when they're undernourished. This cycle often passes from parents to their children, making it hard to break the pattern.

According to the World Bank, global poverty still stood at more than 10 percent of the population or about 800 million people across the globe

are still living in poverty. The World Bank has set the target to decrease poverty level at 3 – 4 percent of the global population in 2030. Meanwhile, 821 million people worldwide are going hungry. While this is a high number, the level of hunger in the world has decreased by 27 percent since 2000. The world has committed to reaching zero hunger by 2030 as part of the 2030 Agenda. This commitment requires collaborative and synergetic policies and agenda among the stakeholders, including the international financial institutions.

IFAD can play important role and contribute to the global actions in fighting against poverty and hunger, especially in rural areas of developing countries. As an agency of the United Nations, IFAD has a unique among international actors because of its distinctive development model. IFAD is well placed to help make Agenda 2030 a reality by helping to mobilize finance, tackle issues that cross national borders, and reach the poorest and most vulnerable people in fragile contexts.

In this regard, IFAD can enhance and explore innovative ways in addressing the challenges of poverty and hunger in rural areas, among others.

First, using a re-engineered country-based model, IFAD can increase its collaboration with private sector and facilitate the access of private rural small and medium sized enterprises (SMEs) as well as producers and their organizations beyond addressing the issue on access to finance. IFAD can act as an assembler of finance and a broker to crowd in private investments in rural areas, helping small-scale producers, “agripreneurs” and their organizations to become competitive business partners. Furthermore, for further strengthening the engagement with the private sector, IFAD needs to create a guiding principle and operation which

include key aspects, among others; ensuring the engagement with the private sector is in line with the client countries' programs; the innovative role of IFAD to build trust and relationships across stakeholders and how to work with small rural producers in a socially and environmentally responsible manner; securing a clear set of responsibilities and accountabilities for each partner, and ensuring the impact is sustainable in the long term even after IFAD's contribution to the partnership has ended.

Second, IFAD can empower women in the workplace. According to the World Economic Forum's 2017 Global Gender Gap Report, gender parity is still more than 200 years away. It is quite obvious that in the poorest countries, maternal mortality remains unacceptably high, while many women still lack access to basic reproductive health services. Women's labor force participation has also stagnated and even slightly fallen in some places. Women remain half as likely as men to have full-time wage jobs. Women comprise over 40 percent of the agricultural labor force worldwide and play a major role in agriculture; yet they face a variety of constraints, such as limited access to agricultural inputs, technologies, finance, and networks. An increasing number of companies now recognize that investing in women can help increase companies' bottom lines, while helping improve the lives of people in rural areas. Investing in women at each stage of the agribusiness value chain will bring two agendas together, which are food security and gender equality. Gender-smart investments are part of the solution to address these global challenges, as they can strengthen value chains, support global food supply, and improve livelihoods—with benefits accruing to both, farmers and companies.

Third, IFAD can take benefit of technology advancement for a better future farming. According to a new market intelligence report by BIS Research,

the global smart farming market is expected to reach US\$23.14 billion by 2022, rising at a compound annual growth rate (CAGR) of 19.3 percent from 2017 to 2022. The market growth is primarily attributed to the increasing demand for higher crop yield, the growing penetration of information and communication technology (ICT) in farming, and the increasing need for climate-smart agriculture. In the coming years, smart farming is projected to create a massive impact on the agricultural economy by bridging the gap between small and large-scale businesses. The trend is not only pertinent in developed countries; developing countries have also realized its immense importance as well. The governments of several countries have also realized the need for, and the advantages of these technologies, and thus, their initiatives to promote smart farming to drive the growth. In this regard, workers have to be equipped with qualified, relevant, and useful education and skills. Governments have to provide a comprehensive educational system and provide equal educational opportunity by making education affordable for everyone. In addition, the government should also develop vocational education and training programs to respond the changes occurring in the labor market and get the work force ready for the jobs of the future. These government efforts should be supported by the business community and educational institutions.

Fourth, IFAD have to enhance its role to deal with the climate change issues. Climate change has been global challenge especially to agricultural sector which rely heavily on climate. We have experienced in unpredictable climate, increase in temperature, extreme weather, drought and flood. Those are bringing impact on crop failure and threat to farmer income as well as to food security. In this regard, greater efforts to build climate

resilience through policies that promote climate change adaptation and mitigation, are very urgent.

Indonesia shares strong support to the IFAD. Our commitment has reflected in the financial contribution that has been increasing over the last one decade and we intend to continue being an engaged member. The establishment of IFAD's Country Office (ICO) in Jakarta at 2016 is also other form of Indonesian support to IFAD.

Indonesia has a long historical collaboration with IFAD. Under the interim Country Strategic Opportunities Programme (COSOP), the Government of Indonesia and IFAD has been implementing synergetic programs and agenda to achieve development targets related to the agricultural and fisheries sectors. It also aims to empower smallholder producers to become more productive and better integrated with markets to enhance food security, increase incomes and reduce poverty and vulnerability.

It is our hope that IFAD can do more in supporting member countries development, including Indonesia, with more efficient business doing. IFAD has the capacity to implement all its programs bigger, better and smarter.

Thank you.