

Statement by the governor of IFAD for Afghanistan at the 44th session of the Governing Council  
of IFAD

Mr. Chairperson,

Fellow Governors,

Distinguished Delegates,

Ladies and Gentlemen,

I am delighted to address the 44<sup>th</sup> session of the Governing Council of IFAD and congratulate everybody for almost half a century of tireless effort to make the world a fairer and more food secure place. As we celebrate the 44<sup>th</sup> year of IFADs establishment virtually, we are constantly reminded of the new challenges posed by the Covid pandemic. I would also like to take this opportunity to commend the work of all the colleagues at IFAD who have planned and are executing this session online. It is a testimony to your ability to adapt to new realities, challenging though they might be.

Dear delegates,

The Covid pandemic has inflicted a lot of pain on all of us. The pain of losing loved ones, the pain of losing one's job and livelihood and the pain of losing all hope in the wake of such collective suffering. While cities have been closed and service economy around the world faces unprecedented restrictions, farmers and producers have had to continue producing since, unlike the urban population, these rural communities did not have a choice. Despite playing a vital role in achieving SDGs and other national goals, their share of the proceeds of growth remains disproportionately small.

Agriculture remains critical to the livelihoods of a large share of Afghan men and women, especially in the rural areas. Agriculture is the backbone of Afghanistan's economy, comprising around 25 % of the national Gross Domestic Product (GDP), source of employment for 45% of the workforce and serving as the engine of economic. The share of agriculture in rural employment is even higher at around 70% and Agriculture provides a source of income for 44% of households. For 28 % of households it is the most important source of income. Nearly 90% of the Afghan exports are derived from agriculture and medicinal plants.

With an estimated 7.5 million ha of arable land, Afghanistan has 1.7 million ha of forest, and 30.1 million ha of rangelands, yet even within arable areas, production is constrained by an almost total dependence on variable winter snows and spring rains. As a result, the vast majority of agricultural produce comes from about 2.5 million ha of irrigated flat land and river valleys, and about 3.7 million ha of rain-fed land. Most of the farming is subsistence farming with only around 2% of grain farmers producing considerable surplus. Livestock provides the livelihood for the rural families but falls short of meaningful market engagement.

The agricultural sector is diverse, ranging from field crop production in irrigated and rain-fed areas, to extensive livestock production, and horticulture. Farming households include

smallholder farmers which are more subsistence oriented and middle- and large-size farms that predominantly produce crops for commercial purposes.

Agricultural production remains volatile and highly dependent on the weather. The national GDP rises and falls with the performance of the agriculture sector. This volatility has many root causes, but includes an underinvestment in water resource development, poor soils, farming costs, poor quality inputs such as seed and fertilizer, natural resource degradation, and weak systems for domestic and export marketing. As a result, a considerable share of agricultural land, both irrigated and rain-fed, is frequently not cultivated.

Dear delegates,

For the reasons stated above, Agriculture is central to the Government's development agenda. To increase agricultural productivity requires multi-sectoral investments in irrigation, water resources management, improved planting materials, and best practices. Increased wheat and cereal production, and a strengthened livestock sector, will contribute to greater food security. Improved urban-rural linkages and more opportunities to buy, process and store farm products will enhance urban development and transform rural communities. These are vital inputs that can help create jobs, increase yields and open markets for farmers. They can help Afghanistan transition from an import and agrarian economy to an agro-industrial export nation.

Dear delegates,

Achieving SDGs would require continued investment in this sector which will benefit the rural population directly. IFAD has been a steadfast partner in this endeavor and we are grateful for this joint journey. We look forward to continuing this excellent partnership and build further resilience in the rural Afghanistan which acts as the backbone of our economy.

Thank you very much for your attention