



©IFAD/Marco Salustro

RURAL TRANSFORMATION IS CRUCIAL TO MEETING THE SUSTAINABLE DEVELOPMENT GOALS

Despite much progress – extreme poverty has been halved since the Millennium Development Goals (MDGs) were adopted in 1990 – there are still 767 million extremely poor people in the world, and more than 75 per cent of them live in the rural areas of developing countries.¹

Population increases and rising incomes are creating a growing demand for food, which creates both opportunities and challenges for people working in rural areas, including in smallholder agriculture and in the non-farm economy. Rising agricultural productivity, more jobs off the farm and migration are reshaping rural lives, but so too are climate change, environmental degradation, conflict and forced displacement.

IFAD's experience in developing countries over the past 40 years clearly shows that investing in rural people leads to poverty reduction and economic growth that go beyond agriculture and rural areas. IFAD's 2016 *Rural Development Report*² presented evidence that inclusive and sustainable rural transformation is fundamental to economic and social growth, and to poverty reduction at the national level.

Rural development is key to ending hunger and poverty, and crucial to meeting the SDGs. IFAD's vision of the sustainable and inclusive transformation of rural economies and societies is a natural fit with the ambitions of the 2030 Agenda.

¹ The Millennium Development Goals Report 2015. United Nations, New York, 2015.
[www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20\(July%201\).pdf](http://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20(July%201).pdf)

² www.ifad.org/ruraldevelopmentreport

RURAL PEOPLE AS AGENTS OF CHANGE

Rural poverty is a consequence of multiple forms of marginalization such as remoteness, limited access to information and services, illiteracy, weak institutions and organizations, and limited access to natural resources. Specific groups such as women, young people and indigenous peoples are often particularly disadvantaged, yet they play pivotal roles in the economic and social lives of their communities that must be recognized, valued and strengthened.

IFAD's holistic approach promotes the economic, social and political empowerment of rural women and men, individually and through their organizations. It focuses on smallholder farmers, pastoralists and artisanal fisher folks, and gives special attention to the most vulnerable groups in rural communities.

In poor rural communities, women make up a significant proportion of the labour force, accounting for 43 per cent of agricultural laborers in all developing countries³ – in addition to performing unpaid household and care work. Despite increasing evidence of the benefits that result when women's capabilities and welfare are improved - such as lower infant mortality and stunting – a variety of gender-based inequalities persist.

Rural women living in poverty typically have limited access to land, finance, information and technologies, and they have limited opportunities for political participation. IFAD focuses on areas that can empower women economically and socially, including access to land, water, education, training, markets and financial services.

Investing in the potential of rural youth is another high priority for IFAD, and is essential to sustaining dynamic rural economic growth. The failure of rural economies to deliver decent livelihood opportunities for youth affects not only growth, it also threatens social cohesion and political stability, in turn contributing to the conditions that breed conflict, displacement and migration. Lack of opportunities undermine the enormous potential of young people to be a driving force for innovation and transformation.

SHARPENING IFAD'S CAPACITY TO CONTRIBUTE TO THE 2030 AGENDA

The programmes IFAD designs and cofinances are based on robust learning from experience, independent evaluations and systematic impact assessments. They are designed in collaboration with and in response to governments, but are also the result of intensive multi-stakeholder engagement to identify priorities, devise solutions to problems and to realize them.

IFAD is sharpening its capacity to support governments in realizing their national development goals and the 2030 Agenda by delivering even higher quality investment programmes, matched to specific country needs that achieve more sustainable results and impact at scale. IFAD is designing a new business model and financial strategy to enable the Fund to expand its support for the Agenda and its impact on rural poverty and hunger.

IFAD also promotes partnerships, investments in and knowledge sharing about rural development solutions among developing countries through South-South and Triangular Cooperation (SSTC) initiatives. For example, SSTC will be a key means for IFAD to deliver on its rural youth employment agenda.

³ The State of Food and Agriculture 2010-11, Women in Agriculture, Closing the gender gap for development. FAO, 2011.



©IFAD/G.M.B.Akash

FINANCING FOR RURAL TRANSFORMATION

The 2030 Agenda holds the promise of a radically different and better future for rural people, rural economies, and agriculture and food systems. Realizing this promise requires enormous investment in rural economic development, supported by enabling policies and institutions, and vastly improved access to finance for smallholder farmers and rural enterprises. The Addis Ababa Action Agenda for financing development, an integral part of the 2030 Agenda, confirms the “rich pay-offs” that investment in rural transformation and agriculture can deliver across the SDGs.

IFAD’s rural finance expertise, its expanding partnerships with the private sector and its relationship with millions of smallholders around the world, put the organization in a key position to link smallholder farmers and rural small and medium enterprises with potential investors. The Fund is driving a global initiative to boost investment in rural economic development and inclusive financial services for smallholder farmers and rural small and medium enterprises (SMEs). It is envisaged that resources will be mobilized from donors, development finance institutions, investors and foundations to fund commercially viable projects through responsible investments to improve the social and economic conditions of smallholders, and to create employment in rural areas.

MAPPING IFAD'S WORK AGAINST THE SDGs

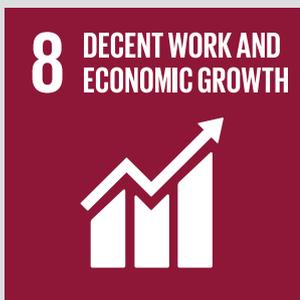
As described in IFAD's Strategic Framework, the Fund's work contributes particularly to SDGs 1 and 2, as well as to SDGs 5, 8, 10, 13 and 15.



Given its goal of transforming rural areas and its unmatched experience in investing in smallholder farmers, IFAD plays a central role in achieving **SDGs 1 and 2**.



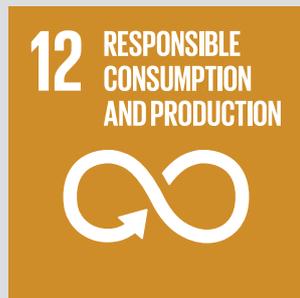
IFAD is a leader in the use of innovative measures to promote rural women's empowerment. Through investments and policy engagement, and by promoting approaches that target households, it addresses the underlying causes of gender inequality to ensure equal access by rural women to productive assets and services, and to employment and market opportunities. IFAD also supports decision-makers and partners to design and implement investments, policies and strategies that address inequality. In this way, IFAD makes a major contribution to **SDGs 5 and 10**.



IFAD contributes to **SDG8** by fostering inclusive, diversified and productive rural economies that create opportunities for decent work and higher incomes. IFAD invests in rural people to increase their productive capacities and their benefits from market participation. It has extensive knowledge and expertise that it draws on to support development of value chains, inclusive financial services, and rural enterprises.



By investing in approaches to sustainable agriculture that better preserve and restore the natural resource base and increase the resilience of farming systems to a changing climate, IFAD contributes to **SDGs 13 and 15**.



Additionally, through its work to foster inclusive, diversified and productive rural economies - including in the areas of agribusiness, and rural-urban linkages, IFAD's work also contributes to **SDGs 9 and 11**. Broadly, its investments in sustainable agriculture contribute to **SDGs 6, 12 and 14**. IFAD already works extensively in partnership with others, and will strengthen and diversify its partnerships to achieve the goals (**SDG17**).

INCLUSIVE AND SUSTAINABLE RURAL TRANSFORMATION AND THE SDGs: IFAD'S EXPERIENCE

IFAD works all over the world in some of the most challenging contexts. Working closely with governments to design rural development projects and programmes, IFAD consults with participants and finds tailored solutions that work for them. The following examples illustrate the multi-dimensional and integrated nature of IFAD's investments for rural people, and the multiple benefits they deliver. They show how IFAD's integrated approach contributes to sustainable transformation by addressing the inter-connected challenges faced by poor rural people.

These projects are implemented by national governments, they are funded by IFAD and work in partnership with other international institutions, the private sector, civil society and rural poor people and their organizations including, for example, producer groups, farmer associations and cooperatives, and other organizations representing the interests of rural people.

INCLUSIVE FISH-FARMING REDUCES MALNUTRITION AND INCREASES INCOMES IN BANGLADESH⁴

The Sunamganj Community-Based Resource Management Project is a good example of how IFAD's holistic approach can produce wide-ranging benefits for poor rural communities. The project, which operated from 2003 to 2014, tackled the issue of inequitable access to fisheries in local waterbodies, known as *beels*. The project shifted control over the resources to poor local fishers, and helped them to organize into water-user groups. With more secure access, through longer-term government leases, the fishers began to invest in their *beels* and to manage their fish resources more effectively. The fishers restored fish habitats, and increased significantly both fish production and biodiversity. The project involved women, for the first time, in *beel* management. Women also had equal access to employment opportunities generated by the project. Better infrastructure, such as roads, opened up access to markets, healthcare and education, benefiting women and children in particular. In fact, child nutrition improved as a result of this project.

Project contribution to the SDGs



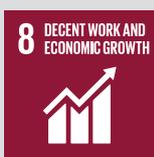
Incomes of poor fishers and their families increased by 180 per cent by 2013. This was due to improved community-based fisheries management through water user groups, combined with secure tenure rights to water bodies, and better access to markets and other income-generating opportunities.



Chronic malnutrition was reduced by 16 per cent. Child nutrition improved because of a greater availability of small fish, a crucial source of essential micronutrients, such as calcium. Surveys indicated a drop in child stunting from 57 to 48 per cent.



Women accounted for 68 per cent of people employed by labour contracting societies for infrastructure development. This provided an important opportunity for women to earn cash income that they then invested in income-generating activities. Women had rights and benefits equal to those of their male colleagues, and held executive positions in the user groups.



The labour contracting societies provided significant employment opportunities and reliable wages to women and men. This allowed participating households to accumulate savings.



Through the water user groups, poor rural people gained access to some of the area's rich natural resources. Government leases enabled poor fishers to gain more secure rights to the fisheries, which had previously been controlled by wealthier people. Women and children benefited from a more equal distribution of food because of the increased availability of small fish.

⁴ Sunamganj Community-Based Resource Management Project was implemented between 2003-2014.

INCLUSIVE VALUE CHAINS INCREASE SMALLHOLDER INCOMES IN MALAWI

Malawi has one of the highest malnutrition rates in Africa. The country also suffers from rapidly depleting forest resources, and from floods that claim lives as well as crops. As part of the national strategy to improve the livelihoods of poor rural producers, IFAD is working with the Government of Malawi to help smallholder farmers benefit from opportunities in an increasingly competitive and liberalized economy, while also helping them to adapt to the impacts of climate change. The Rural Livelihoods and Economic Enhancement Programme (2007 to 2017), is strengthening smallholder farmers' participation in selected value chains. The project works with the private sector and is improving production, transport, storage, processing and marketing systems for commodities such as groundnuts and potatoes. Access to finance and attention to nutrition are also key features of the project.

Project contribution to the SDGs

Households have reported significant improvements in yield and income as a result of improved agricultural practices, collective marketing and access to finance. Smallholder farmers have been able to save and to take out small loans through village savings and loan groups.



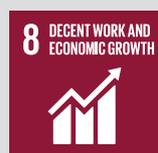
In 2015, a survey found that 47.5 per cent of the population in the project area suffered from chronic malnutrition. In line with IFAD's focus on nutrition-sensitive agriculture, the project introduced activities designed to improve nutrition.



Women account for about 80 per cent of members of village savings and loan groups. So far, more than 40 per cent of all the people benefiting from the project activities are women.



The prices smallholders can charge for their groundnuts have jumped by more than 100 per cent, due to value chain development by the project. Sales volume has also increased by about 50 per cent.



The project promotes greater collaboration and equity among the different actors in the value chains. Smallholders have been able to increase both production and quality which, combined with greater participation in value chains, means they receive a larger share of the profits. Young people are managing small honey-producing franchises.



Farmer business schools promote sustainable management practices and efficient use of natural resources.



In the groundnut value chain, seed farmers follow the traditional practice of storing seed in their shells. This promotes higher germination rates compared to certified seed sold without shells. Farmers growing certified seed now store it with the shells, using a combination of local knowledge and modern techniques.



The International Fund for Agricultural Development (IFAD) invests in rural people to improve their food security and nutrition, increase their incomes and strengthen their resilience.

A specialized United Nations agency and international financial institution, IFAD provides financing, mostly in the form of highly concessional loans, to developing countries. Its ongoing portfolio includes more than 220 programmes and projects in 98 countries across Africa, Asia and the Pacific, the Near East, Eastern Europe, Latin America and the Caribbean.

The operations IFAD finances increase agricultural production and productivity and give small farmers better access to markets and services. But IFAD does more than that; it also helps to transform rural communities socially and economically, promoting better employment, gender equality and inclusiveness.



International Fund for
Agricultural Development

Via Paolo di Dono, 44
00142 Rome, Italy

Tel: +39 06 54591

Fax: +39 06 5043463

Email: ifad@ifad.org

www.ifad.org

www.ruralpovertyportal.org

 ifad-un.blogspot.com

 www.facebook.com/ifad

 [instagram.com/ifadnews](https://www.instagram.com/ifadnews)

 www.twitter.com/ifadnews

 www.youtube.com/user/ifadTV

July 2017