The Sustainable Development Goals (SDGs) target an interrelated set of issues that must be addressed to eradicate hunger and poverty and ensure a future in which no one is left behind. This year’s High-Level Political Forum (HLPF) focuses on “Transformation towards sustainable and resilient societies”. The SDGs relating to water (SDG6), energy (SDG7), human settlements (SDG11), responsible consumption and production (SDG12), life on land (SDG15) and partnerships (SDG17) will be under in-depth review. In that context, the rural world – where most poor and hungry people live – deserves special attention.

This brief sets forth a vision of how development efforts can promote the inclusive transformation of rural areas, both economically and socially. This is essential for a broader society-wide transformation in which synergies between rural and urban development are exploited to obtain sustainable outcomes and ensure no one is left behind.

RURAL-URBAN INEQUALITIES AND DIFFERENTIATED NEEDS HAVE TO BE ADDRESSED

Many rural communities in developing countries are vulnerable, fragile, and lack resilience. Factors contributing to this situation include weak institutions, conflicts over access to productive resources, degradation of natural resources, social tension and inequality, lack of employment opportunities for youth, poor access to basic services and exclusion from political processes. Frequently economic growth and opportunities are unevenly distributed, and rural stakeholders, including smallholder farmers, women, youth and indigenous peoples, are all

1 Defined as “a process in which rising agricultural productivity, increasing marketable surpluses, expanded off-farm employment opportunities, better access to services and infrastructure, and capacity to influence policy all lead to improved rural livelihoods and inclusive growth.” IFAD. 2016 Rural Development Report 2016: Fostering inclusive rural transformation. Rome, IFAD: p. 8.

KEY MESSAGES
• The SDGs under review at HLPF 2018 are all critical for ending poverty and achieving zero hunger, and all have explicitly rural dimensions linked to the promotion of inclusive rural transformation.1 Specifically, SDGs related to water, energy, cities, consumption and production, life on land and partnerships all have crucial implications for the prospects for rural people to escape poverty and food insecurity and contribute to building sustainable and resilient societies.
• Small-scale producers and other rural people manage and rely upon a large part of the world’s natural resources, biodiversity and ecosystems, including water; as both resource users and stewards, they are key actors in addressing related SDGs and should be included in processes affecting their communities and livelihoods.
Progress in advancing social and environmental sustainability has rarely kept pace with economic progress, resulting in loss and degradation of natural resources. This increases competition for ever-scarcer resources, including water, energy and land, which in turn creates stress for rural people whose livelihoods often depend on small farms and are heavily reliant on natural resources and ecosystems to meet basic food, nutrition and income needs.

Because poverty and hunger are concentrated in rural areas, it has been recognized that investing in rural livelihoods is essential to eradicating poverty and achieving zero hunger (SDGs 1 and 2). The President’s summary at HLPF 2017 explicitly stated that “small-scale farmers are central to all food systems” and called for “inclusive policy processes and partnerships … involvement of all stakeholders [and] policy coherence.” This can only be achieved if the interests of rural people, including smallholder farmers, are integrated into discussions of the SDGs, including ensuring availability and sustainable management of water and sanitation (SDG6), access to affordable, reliable, sustainable and modern energy (SDG7), making cities and human settlements inclusive, safe, resilient and sustainable (SDG11), ensuring responsible consumption and production patterns (SDG12), protecting, restoring and promoting sustainable use of terrestrial ecosystems (SDG15), and engaging stakeholders in partnerships at all levels (SDG17).

On the flip side, given that differentiated needs, patterns of use, and inequalities between rural and urban areas will shape progress towards sustainable provision and management of water, energy and ecosystems, the achievement of interlinked SDGs will be shaped by the way investments and policy frameworks promote rural livelihoods.

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• Transforming current realities to achieve sustainable and resilient societies can only come about through more integrated, systemic and multistakeholder approaches that include all rural and urban voices, take advantage of synergies between rural and urban development, and adopt holistic approaches that lead to inclusive transformation. This means that the development of cities cannot be seen in isolation from the development of surrounding peri-urban and rural areas – with investment in rural areas and participation of rural-based institutions essential to contribute towards the sustainability of all types of human settlements.

2 President’s Summary, High-Level Political Forum 2017; p. 7.
3 In particular, target 12.3 on reducing food waste and loss.
The key findings of IFAD’s Rural Development Report 2016 are pertinent to the HLPF theme of “Transformation towards sustainable and resilient societies”. First, inclusive rural transformation is central to building sustainable societies free of poverty and hunger. However, it does not happen automatically, but must be made to happen through targeted policies and investments\(^4\) that, for example, promote access of rural people to services, water, energy and markets, enable them to build resilience in the face of climate change, help them to manage natural resources sustainably, and contribute to the transformation of agrifood systems that promote food security and nutrition in society overall.

Persistent rural-urban gaps in areas such as access to sanitation, energy and economic opportunities slowed development progress during the MDG era. For example, the rural-urban divide has been explicitly mentioned as stalling progress in access to improved drinking water and improved sanitation,\(^5\) while unequal access to infrastructure underlies the concentration of poverty in rural settlements. The achievement of individual goals – including, for example, SDG6 and SDG7 – as well as the promotion of the broader society-wide change to realize the vision of the 2030 Agenda, will require appropriate investment and policies that target rural women and men who are particularly disadvantaged and therefore particularly at risk of being left behind.

**ACCESS TO WATER, ENERGY, LAND AND ECOSYSTEMS**

The ways in which food is produced and consumed have particular implications for water and energy supply and demand, for the sustainability of food systems in human settlements across the rural-urban continuum, as well as for the way human societies interact with land and ecosystems. Agriculture is clearly a strategic sector because of its effects and its dependency on the natural environment, biodiversity and ecosystems. Investments and initiatives in these areas must be beneficial for the rural people who work in the sector and depend on it for their livelihoods. There are also important gender considerations, given the disproportionate time spent by many rural women in fetching water and fuel for household consumption, in addition to their important role in agricultural production.

Consumption and production patterns of food and other commodities shape the demand for goods that are primarily produced in rural areas. If urban populations demand locally produced, diverse and nutritious foods grown largely by small-scale rural producers, this represents an opportunity, especially with the development of strengthened and inclusive rural-urban linkages. And this could also be expected to lead to more sustainable outcomes than alternatives based upon shifts to diets dominated by processed foods and associated food import models.\(^6\)

**Integrating local needs into water strategies**

Agriculture is the world’s largest water user, responsible for an estimated 69 per cent of global water withdrawals,\(^7\) with irrigation systems accounting for the majority. Large-scale irrigation on large farms, while contributing to increased global food production and lower prices, and at the same time enabling agriculture in arid and semi-arid areas, often exerts unsustainable pressure on local water supplies. Sustainable water management implies that further investment in these large-scale systems should be approached cautiously, especially in regions where the most suitable locations for large-scale irrigation have already been exploited. It is important to

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\(^6\) Notwithstanding that international trade is an important enabler of food systems in contexts typified by unfavourable environmental conditions and climatic uncertainty.

avoid and mitigate negative social and environmental impacts of large-scale infrastructure, such as downstream effects on ecosystems and biodiversity of reduced water flows, soil salinization in poorly drained systems, and upstream flooding effects caused by dams. Engaging with farmers’ and rural producers’ organizations and relevant local institutions through public-private-producer partnerships is an important way to avoid negative social and environmental outcomes, factor in the needs of local stakeholders, and promote watershed-scale approaches that are integrated and holistic, in order to ensure sustainable access for all to clean water and energy (see box 1). National water allocation and re-allocation mechanisms should also recognize customary rights – a further important element of ensuring policy frameworks are inclusive of those most at risk of being left behind.

Equally important is extending support and investment to rainfed and small-scale irrigation systems, as an alternative or to complement to large-scale irrigation based on local agroecological conditions – especially considering that, globally, rainfed agriculture remains the primary source of food production. This means focusing on developing skills and capacities within water management institutions, from state to local institutional level, as well sharing knowledge and creating opportunities to include vulnerable stakeholders in debates, encompassing building organizations and strengthening the capacity of both civil society and state to engage in reform processes. For small-scale irrigation, water use associations (WUOs) are often fundamental in managing the efficiency and equity of water access. These associations therefore merit being recognized in national legislation, alongside acknowledgement of land rights for WUOs to enable them to carry out their roles. Also important is financing green infrastructure and changes in agronomic practices to increase the water retention capacity of soils.

IFAD’s experience shows that initiatives to support rainfed and small-scale irrigation systems have high payoffs in terms of improving productivity and incomes, developing local agrifood value chains and safeguarding environmental services. These include:

- Investing in water supply, distribution and treatment infrastructure – such as groundwater wells, rainwater harvesting facilities and water storage facilities
- Improving the efficiency of various water uses
- Improving on-farm water capture and retention
- Managing water demand by working with local institutions to facilitate effective and inclusive institutional arrangements for water use in local (rainfed and small-scale irrigated) cropping, horticulture, livestock, aquaculture and agroforestry systems
- Providing local solutions for integrated natural resource management, climate change adaptation and disaster risk reduction through, for example, flood and drought management, conservation agriculture, watershed management and early warning systems for climate shocks.

Understanding linkages between water and energy to meet rural and urban needs

Urban planning influences the availability, use and quality of water and energy in rural areas. In the context of urbanization, much of the projected one-third increase in energy demand by 2035 will come from cities and must come from renewable sources. But, bearing in mind the water intensity of emerging geothermal renewable energy generation systems, coherent,

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10 Conservation agriculture involves a combination of minimum tillage with mulching, cover cropping and crop rotation to retain soil moisture, retain and enhance soil quality and minimize water use needs.
11 For example, 90 per cent of thermal power is water intensive; the estimated 70 per cent increase in electricity production
coordinated and inclusive approaches to policy and investment are essential to promote outcomes where water for renewable generation does not negatively impact access to water for local rural and farming populations. Equally, changes in land ownership in urban areas potentially can impact the availability and quality of water for downstream users outside city boundaries. Any infringement upon the land access rights of rural people as a result of urban sprawl will negatively impact the functioning of water use institutions, food production systems, as well as local biodiversity and ecosystems. In the latter regard, the Committee on World Food Security’s (CFS) Voluntary Guidelines for the Responsible Governance of tenure of land, forestry, fishery and other natural resources (VGGTs) provide a framework to improve governance of tenure of land, fisheries and forests. In general, it will be essential that urban planning in the context of promoting sustainable cities is not divorced from the vital interests of rural stakeholders, with groups representing the latter to be represented.

**Box 1. Linking upstream and downstream water users through water funds**

The Upper Tana Nairobi Water Fund (UTNWF) is a five-year project (2016-2021) funded by the Global Environment Facility, implemented by IFAD. The concept of water funds is founded on the principle that it is cheaper to prevent water problems at the source than it is to address them further downstream. Water funds are a sustainable institutional mechanism to stimulate investments in ecosystem services at watershed scale, linking upstream and downstream land and water users. Upstream land users become the stewards of good farming practices and conservation or restoration of natural areas that protect water at the source, while the downstream water users pay for these services rather than paying for expensive industrial filtration.

The UTNWF will be the first of its kind in Africa and will serve as a model to leaders across the continent as they look for solutions to issues such as water scarcity, population growth and urban expansion, and climate change, while concomitantly protecting ecosystems and ecosystem services.

The overall goal of the UTNWF, as a public-private-producer partnership, is to increase investment flows for sustainable land management and integrated natural resource management in the Upper Tana catchment area. The objective of the project is to achieve a well-conserved Upper Tana River Basin with improved water quality and quantity for downstream users (public and private, rural and urban, agricultural, industrial and domestic); maintaining regular flows of water throughout the year; enhancing ecosystem services, specifically food security, freshwater and terrestrial biodiversity; and improving the livelihoods of upstream local communities.

To achieve its objectives the UTNWF is institutionalizing a multistakeholder and multi-scale Water Fund Management Platform, which supports policy development, institutional reform and scaling up of integrated natural resources management. Policies and incentives are being developed to support climate-smart smallholder agriculture and food value chains in financially viable and sustainable watershed stewardships. Furthermore, the project is promoting sustainable land management to foster adaptation and to increase the resilience of the local population through increased food production, food security, household incomes and diversified development options and livelihoods.

needed by 2035 would translate into a 20 per cent increase in freshwater withdrawals (HLPE, 2015: p 41).

12 CFS. 2012. Voluntary Guidelines for the Responsible Governance of tenure of land, forestry, fishery and other natural resources. Rome, FAO.
in all relevant planning, investment and policy processes. In addition, it is imperative that investments to extend access to affordable energy benefit rural populations, who are often at a particular disadvantage. This will be needed to stimulate the development of profitable agricultural micro, small and medium-sized enterprises and growth in the rural economy, both of which are critical to stimulate economy-wide structural transformation.  

Food systems, environmental services and resilient, sustainable societies

Indeed, the planning around sustainable cities and human settlements will be critical for the functioning of food systems, environmental and ecosystem services employment and women’s empowerment, which will in turn shape the resilience and sustainability of societies at large. Specifically, food systems cut across rural and urban settlements, encompassing the interactions of people, natural resources, the climate, inputs, technology, institutions and infrastructure to shape outcomes in terms of food production and consumption, employment, social institutions and gender and the environment. Where integrated territorial planning creates linkages between rural and urban stakeholders, value chains are integrated across the rural-urban continuum (see box 2), and local diets are based around nutritious, diverse and locally produced food – supplemented by food imports according to local needs – the potential to promote local employment, holistic approaches to the sustainable management

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**Box 2. District value chain committees in Ghana**

The IFAD-sponsored Northern Rural Growth Programme in Ghana was designed to address the main challenges facing smallholder farmers – predominantly maize producers – in northern Ghana. They face limited access to inputs and services, low productivity and low prices for their products. The project aimed to build institutional infrastructure to link smallholder farmers to end markets. The theory of change underlying the programme was that greater collaboration between private and public actors across agrifood chains can help smallholder farmers access the inputs they need to improve productivity and to link with urban consumers.

As a result, district value chain committees (DVCCs) were designed to ensure that smallholder farmers can secure access to credit, other inputs and end buyers within each district. All value chain actors across rural and urban areas are represented on the DVCCs: farmers’ organizations (including women producers), input dealers, tractor-service providers, local aggregators and buyers, the Ministry of Food and Agriculture (District Development Unit), the Department of Cooperatives and participating credit providers from the Rural and Community Bank (RCB) network.

The DVCCs manage relationships between partners, facilitate negotiations between farmers’ organizations and small and medium-sized enterprise buyers – for example on price, quality, quantity – and ensure smallholders’ access to key inputs from dealers and service providers. The inclusive membership of the DVCCs provides the knowledge and capacity of private-sector actors to link smallholders with urban markets. This has resulted in increased productivity and incomes and increased supply of maize in local urban and rural markets.

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14 Specifically called for under SDG11, target 11A: “Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.”
15 For more information, see: https://www.ifad.org/documents/10180/459a00d8-c906-4731-bc7d-e700c14ae1f5.
and use of water, energy and biodiversity and food security and nutrition is enhanced. But these outcomes are by no means automatic and require multistakeholder, multidisciplinary approaches to governance and partnerships which adopt systems-wide approaches to planning human settlements, strengthening mutually beneficial interactions between urban, peri-urban, intermediate towns and rural villages to ensure no-one is left behind. More specifically, it is imperative that investments and policies – in areas such as infrastructure development, food procurement regulations (including food safety) and price incentives – support local food system actors. Integrated and inclusive agrifood value chains are essential to create local employment opportunities, contribute to local food security and nutrition and create knock-on multiplier effects for local economies.

HOLISTIC APPROACHES ARE ESSENTIAL TO TRANSFORM SOCIETIES

The entire 2030 Agenda for Sustainable Development is a single overarching vision for the transformation of societies in which no one is left behind. In particular, the way cities and human settlements are planned and organized, and the patterns of production and consumption within them, will shape outcomes across the entirety of the 2030 Agenda. Integrated approaches that focus on the needs of the most vulnerable people in rural and urban areas must underpin the actions to achieve transformation of societies, both rural and urban.
The challenges facing various groups in accessing water, energy, natural resources and ecosystems must be dealt with in an integrated and systematic way. It cannot be the case, for example, that the interests of small-scale food producers and other actors in agrifood value chains are related only to the goal of zero hunger (SDG2), important though that may be. The fact is that the goals for sustainability of water, energy, human settlements, consumption and production, life on land and partnerships also offer crucial entry points to address the interests of these stakeholders and engage them actively in the development of their communities. Balanced and inclusive societies can only be brought about through policy, investment and governance frameworks that adopt people-centred, holistic and multistakeholder approaches in which all voices are heard – including those of rural people, women, youth and smallholder farmers. Only in this way can systemic inequalities – for example between rural and urban areas, between women and men, and between smallholder farmers and more powerful interests across agrifood value chains – be addressed.