



# IFAD and the future

Striking at the roots of poverty and hunger

Eliminating  
hunger and poverty  
by 2030 could  
cost an additional  
US\$265 billion  
annually

**Famine, conflict, forced migration, poverty, hunger, inequality, drought, climate change.**

To solve the greatest problems facing humanity, we must start at the bottom: with the underlying causes that are most difficult to alter, and with the most disadvantaged people who are most at risk and hardest to reach.

These are the women and men who grow food, yet go hungry themselves: the small family farmers, traders, labourers, fishers, hunters and gatherers who are too often on the sidelines of modern value chains.

For four decades, only one organization has specialized in reaching these people. IFAD is that organization. A UN agency and an international financial institution – and the only such organization dedicated exclusively to rural areas. A people-centred organization that fights poverty and hunger hand-in-hand with families and communities. A fund that comes not just with advice and recommendations, but with partners, investments and long-term plans that aim at sustainability.

### **The view toward 2030**

When the leaders of 193 countries came together to affirm the 2030 Agenda and the 17 Sustainable Development Goals that support it, they knew they had to be bold because the need to find sustainable solutions was urgent. The world has become more crowded, water more scarce and weather more violent and erratic.

There are three very important things we know about the 2030 Agenda: that it is highly ambitious; that it comprehensively addresses humanity's and the world's needs; and that at current rates of development, we won't make it.

The Sustainable Development Goals are not goals so much as needs. They define the steps that humanity must take to eradicate poverty and hunger, and to develop inclusive, sustainable ways of living on the planet. That includes how we treat the environment, and how we use it to grow the food we need to survive. And it includes addressing the myriad underlying causes of conflict, inequality and poverty that are destructive not only of lives, but of the very basis of our existence.

It is easy to feel good about the prospect of ending poverty and hunger in our lifetime. It is worrying to contemplate the very real possibility of failure to deliver on the SDGs, or to meet the generational challenge of climate change.

**We need change now. And real change starts here, in rural areas.**

### **Rural lives**

Collective wisdom says that the future of humanity is urban – in sustainable cities. But cities without nutritious food, clean water or breathable air are not sustainable. A sustainable urban future depends on a sustainable rural future. Instead of a rural-urban divide, it is time to think about the rural-urban nexus, and to make investments that address the root causes of rural-urban inequality.

IFAD has been focused on rural issues for 40 years. It is the lead investor in rural transformation and in small farmers, who are crucial to the world's food security and nutrition. IFAD prioritizes the toughest work and the most disadvantaged people. We direct our own investments and the financing we leverage to where they are needed most.

IFAD goes where other institutions don't, into rural areas that have never seen a development project before, and it gets results. But we don't work alone. Our innovative approaches have been scaled up by governments, donors and other partners to reach millions more people. IFAD financing acts as a catalyst encouraging other partners – including the private sector – to invest, and bringing development to previously unreached people.

## What IFAD will do

With our experience as an innovator and leader in rural transformation, we will ramp up our support for global action to solve the world's biggest challenges – poverty, hunger, climate change resilience, migration, inequality.

### IFAD plans to:

- Increase its programme of loans and grants by 25 to 40 per cent to expand and accelerate development that supports the SDGs.
- Prioritize the poorest countries and the poorest people.
- Revise its business model and financial strategy to maximize its contribution to achieving the 2030 Agenda.
- Leverage Member State contributions to raise more funds for projects to transform rural areas.
- Increase cofinancing and develop innovative mechanisms to attract private-sector investment. That includes establishing a Smallholder and SME Investment Finance (SIF) Fund to increase finance for small farms, young entrepreneurs, rural businesses and producers' organizations, so that rural economies thrive.
- Intensify its work on climate change, nutrition, and with gender and youth, key focus areas it is mainstreaming across its portfolio.
- Continue to be the world's largest channel for delivering climate adaptation finance to smallholder farmers.
- Expand its dialogue with governments to influence country-level policies for the benefit of rural people and to improve the environment for investment.
- Expand its cutting-edge impact assessment initiative and mainstream rigorous, evidence-based design and implementation to get the most out of funding.
- Champion smallholders in global discussions and support pro-poor research.
- Promote partnerships, especially among developing countries, share solutions for agricultural and rural development, and increase the flow of investment to rural areas.
- Scale up diaspora investment in agriculture, building on over a decade of IFAD experience working with migrant groups and supporting investment of remittances in rural areas.

IFAD has the experience, the reach and the trust of governments and rural people alike to lead the transformation of rural areas so that we can achieve the SDGs.



IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided US\$18.5 billion in grants and low-interest loans to projects that have reached about 464 million people. IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN’s food and agriculture hub.



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