

Transforming rural lives: building a prosperous and sustainable future for all

IFAD and the 2030 Agenda

Acknowledgements

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Abbreviations and acronyms

To come

President's foreword

Despite decades of commitments and considerable effort to end poverty and hunger, more than 800 million children, women and men still go hungry every day, and an estimated 836 million live in extreme poverty. The majority – about 75 per cent - of these poor and undernourished people live in rural areas of developing countries, and depend on small-scale agriculture for their lives and livelihoods.

After a prolonged decline, the number of chronically undernourished people in the world increased in 2016. If we want to combat hunger and reverse this trend, we must commit to a longer time horizon so that we can build resilience and improve nutrition, especially in rural areas. That requires a new paradigm of development –a new definition of cooperation, collaboration and global long-term commitment that underlies the 2030 Agenda for Sustainable Development.

Rural development plays a central role in ending poverty and hunger. Therefore, to deliver on the promise of the 2030 Agenda, and for it to be truly universal, the development community needs to refocus its attention on rural people and direct investments to rural areas. This will broaden and deepen economic and social growth so that it results in inclusive and sustainable rural transformation. The risk is that, without adequate investment in the world's most vulnerable communities, there will be increased instability and conflict, rural people will find it harder to withstand environmental and other shocks, and migration away from impoverished rural areas will continue unabated, with implications for national and global food security.

IFAD's vision of inclusive and sustainable rural transformation fits closely with the ambitions of the 2030 Agenda. We work to create the social and economic conditions that can transform rural areas into places of prosperity and hope, where people can build decent livelihoods. We mobilize financing from a range of sources to fund projects that empower poor rural people to grow, process and sell more food, increase their incomes and determine the direction of their own lives.

The 2030 Agenda is about moving beyond business as usual. We must ensure that sustainability and inclusiveness underpin everything we do. At IFAD, we are raising our level of ambition. We are sharpening our strategies and our business model to ensure excellence in our operations, value for money, and greater transparency and accountability. We are strengthening our knowledge, our evidence-base and our capacity to deliver bigger, better and smarter. We will work with a broader range of partners, across sectors. We will mobilize and leverage new and diversified sources of finance for investment in rural transformation.

And we will ensure that those investments reach those most in need – the poorest and most vulnerable rural people in the world's poorest countries. Key to this ambitious and transformational approach is our recognition of the inter-relationship between nutrition, gender, youth and climate change. Issues in these four areas underpin some of the greatest challenges to achieving the SDGs. Addressing them reduces vulnerability, builds the resilience of rural communities and helps to ensure that migration is a choice, not a necessity.

In summary, we aim to reach more poor rural people, deliver more and better results, and achieve greater impact across the SDGs – from improved incomes, resilience and nutrition to increased agricultural production and market access.

The international community has recognized the urgent need to act. The 2030 Agenda presents an inspiring vision of a world without poverty and hunger, a world of inclusive growth, environmental sustainability, peace and social justice. IFAD is working to help deliver on that promise.

Gilbert F. Hougbo

IFAD President

A new global agenda

Agenda 2030 was unanimously adopted by all 193 member states of the United Nations in September 2015 at the UN Sustainable Development Summit. It features 17 Sustainable Development Goals (SDGs), which recognize that ending poverty must go hand-in-hand with strategies that build economic growth and address social needs, while tackling climate change and environmental protection, as well as governance, peace and justice. They call for action by all countries - rich, poor and middle-income.

Agenda 2030 is supported by a new global framework for financing development – the Addis Ababa Action Agenda - and is closely linked to the 2015 Paris Agreement on climate change. Together, these landmark agreements form a single, universal agenda for sustainable development.

“The new agenda is a promise by leaders to all people everywhere. It is a universal, integrated and transformative vision for a better world.”

UN Secretary General. Ban Ki Moon

Introduction

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 current, 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.

Since it was established in 1977, IFAD has mobilized about USD 25.3 billion in co-financing and funding from domestic sources for rural development, and has contributed an additional USD 17.6 billion in loans and grants. It has supported more than 1000 programmes and projects in partnership with 123 recipient governments.

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, especially for rural youth, gender equality and inclusiveness.

During the development of Agenda 2030, IFAD articulated its vision of inclusive rural transformation as a critical aspect of sustainable development. IFAD's Strategic Framework 2016-2025 affirms this vision as the basis for the organization's work. The Framework sets three strategic objectives to guide IFAD's work over the next decade: increase the productive capacity of poor rural people; increase their benefits from market participation; and strengthen the environmental sustainability and climate resilience of their economic activities.

Leaving no-one behind – the ambition that cuts across the 2030 Agenda – is central to IFAD's mandate. IFAD has a strong comparative advantage in that it targets the poorest, most vulnerable and food-insecure people in rural areas, and places them at the centre of its investments and activities as partners. This approach is strengthened by IFAD's capacity to work with governments and partners to leverage investments that empower poor rural people to play this central role in their own development.

This publication details how IFAD's work contributes to realizing Agenda 2030. In line with its Strategic Framework, IFAD will contribute most significantly to the eradication of poverty and hunger, (SDGs 1 and 2), as well as to the goals related to gender equality (No. 5) and reduced inequalities overall (No. 10), decent work and economic growth (No. 8), action on climate change (No. 13) and the environment (No. 15). Five examples drawn from the rural development projects IFAD funds, one from each of the regions where it works, illustrate how IFAD's multi-dimensional, integrated approach has long been consistent with the holistic nature of the SDGs

Rural transformation is crucial to meeting the SDGs

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*¹, presented evidence that inclusive and sustainable rural transformation is fundamental to economic and social growth, and to poverty

Inclusive and sustainable rural transformation is a process in which rising agricultural productivity, increasing marketable surpluses, expanded off-farm employment, better services and infrastructure, and the capacity to influence policy all lead to improved rural livelihoods and inclusive growth.

¹ <https://www.ifad.org/ruraldevelopmentreport>

reduction at the national level.

Rural economies transform as countries develop, presenting considerable opportunities for people working in rural areas in both smallholder agriculture and the non-farm economy. Population increases and rising incomes are creating a growing demand for food in developing countries, and smallholder farmers will have a major role to play in meeting it. Rising agricultural productivity, more jobs off the farm and migration are reshaping rural lives, but so too are fragility, climate change and a host of other issues, including gender inequality, malnutrition and youth unemployment.

[side-bar] 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. [end side-bar]

IFAD's unique role is now more important than ever - not least to deal with the rising number of chronically undernourished people. Just one year after the SDGs were endorsed, their numbers increased to 815 million in 2016², and under-investment in smallholder systems is one of the contributing factors, along with the increasing number of conflicts, exacerbated by climate-related shocks. The Fund's 40 years of experience have shown that investing in rural people is a viable business proposition, and that agriculture can readily absorb investment and generate returns and social benefits in the short as well as long term, while contributing to food and nutrition security. Agriculture can deliver direct income, employment and environmental benefits both on and off the farm that, with the right policies and targeting, can be made to be inclusive.

Further, inclusive rural transformation is indispensable to realizing zero hunger by 2030. Factors such as the lack of resilience of local food systems in the face of climate and weather-related events, persistent gender-based inequality faced by women smallholders, youth unemployment and conflicts over scarce natural resources must be addressed in order to achieve this ambitious goal.

A key feature of IFAD's enhanced business model is a more integrated approach to mainstreaming nutrition, gender, youth and climate into its operations. IFAD's approach builds on the well-established linkages between the four issues: the empowerment of women, especially young women, is essential for improving child nutrition and leads to better management of the environment and natural resources, given

² <http://www.fao.org/3/a-l7695e.pdf>

the increasing feminization of agriculture. Good nutrition is a crucial foundation for young people's health, and their physical and cognitive development, and thus for their education and future employment opportunities.

Rural women and men as agents of change

Delivering on the commitment to leave no-one behind requires recognizing rural people as essential development partners and agents of change in their own lives and communities. Their roles in producing nutritious food, in managing natural resources and ecosystems, in climate adaptation and mitigation, and in generating incomes and employment opportunities have great potential to contribute to growing rural economies. IFAD catalyses that potential through its work.

Rural poverty is a consequence of multiple forms of marginalization such as remoteness, limited access to information and services, illiteracy, weak institutions and organizations, or limited access to natural resources. Poverty is also often characterized by a lack of participation in decision-making and in civil, social and cultural life.

Specific groups such as women and 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. Empowering rural communities is not only a precondition for achieving the SDGs, it is also a moral imperative.

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 their 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 is addressing gender inequalities and

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

discrimination by focusing 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 a 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 uncontrollable migration. Lack of opportunity undermines the enormous potential of young people to be a driving force for innovation and transformation. Paying close attention to the needs and aspirations of young rural people, IFAD is making youth employment - in both the farm and the non-farm sectors - a priority in its investment projects. This is key to IFAD's vision of an inclusive rural transformation that provides rural women and men – especially youth – with viable and attractive opportunities in their home communities, thereby reducing pressures that facilitate forced migration and instability.

Indigenous peoples have in-depth, varied and locally rooted knowledge of the natural world, and because traditional indigenous lands and territories contain some 80 per cent of the planet's biodiversity, indigenous peoples play a crucial role in managing such biodiversity. Worldwide, they account for 5 per cent of the population, but represent 15 per cent of those living in poverty. Since 2003, IFAD has directed an average of 22 per cent of its annual lending to support initiatives for indigenous peoples, mainly in Asia and Latin America. IFAD supports their self-driven development, while respecting and enhancing their traditional livelihoods, occupations and knowledge.

Working in partnership

National governments must lead efforts to put the 2030 Agenda into action. However, the level of ambition and scope, and the interconnected nature of the Agenda call for the coordinated efforts of a broad range of partners, including governments, multilateral and bilateral organizations, the private sector, non-governmental organizations, civil society, research organizations, academia and individual citizens around the world. These partners can play complementary roles in realizing the Agenda and are accountable for living up to its promise.

For IFAD, this brings both new opportunities and challenges. IFAD is building on its traditional, strong partnerships with Member State governments and with organizations representing poor rural women and men. It will also focus increasingly on building more diverse partnerships, including with the private sector, and on mobilizing and leveraging substantially more funds from diverse sources to expand the impact of its

work. Strategic partnerships are a cornerstone of IFAD's operations and will increasingly be used to leverage knowledge, policy influence and financing nationally, regionally and globally.

IFAD promotes partnerships, investments in and knowledge sharing about rural development solutions among developing countries through South-South and Triangular Cooperation (SSTC). Over the past 10 years at IFAD, SSTC has evolved from a series of *ad-hoc* activities undertaken exclusively at the country and regional levels to a much broader corporate agenda. It has been established as an important modality for development cooperation, and is being utilized to ensure that the knowledge generated from IFAD-supported operations has wider impacts outside individual projects, through the sharing of lessons learned and successful approaches.

IFAD is exploring partnerships with southern financial institutions and will broker opportunities for middle income countries to finance development interventions in other countries. SSTC will also be a key means for IFAD to deliver on its rural youth employment agenda. For example, IFAD will facilitate south-south business-to-business links and partnerships in the agriculture and agri-food sectors, with a special focus on creating employment opportunities for rural youth.

IFAD works extensively with the global development community, especially other UN agencies and the international financial institutions (IFIs), to supplement and expand the reach and impact of its own resources, knowledge and expertise. Collaboration with the Rome-based UN agencies - the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP) - is a particular priority and is fundamental in supporting countries to achieve the second SDG - to end hunger, improve nutrition, and promote sustainable agriculture.

IFAD also supports new approaches to partnerships between the public and the private sectors, including small-scale producers, that stimulate responsible investment in food and agriculture value chains, to provide more equitable benefits - a key element of inclusive and sustainable rural transformation (see section on Financing for rural development).

Sharpening IFAD's capacity to contribute to the 2030 Agenda

Through a country-wide, programmatic approach, IFAD invests in complementary and interconnected initiatives that combine finance, policy engagement and extensive knowledge. The programmes IFAD

designs and co-finances are based on robust learning from experience, independent evaluations and systematic impact assessments. They are designed in collaboration with national governments, and 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. A strengthened business model and new financial strategy will enable IFAD to expand its support for the Agenda, and its impact on rural poverty and hunger. As such, it is strengthening its internal capacity to deliver high-quality projects and programmes more efficiently and effectively. It is better aligning with country priorities through enhanced policy engagement with governments, stronger multi-stakeholder partnerships, and closer coordination with donors.

IFAD has increasingly adopted a decentralized business model, which has positioned the organization much closer to its clients and is paying high dividends in terms of improved policy engagement, country strategy formulation, and the relevance and overall performance of IFAD-financed activities. Forty country offices have been opened over the past decade. IFAD is speeding up the pace of decentralization in order to achieve its ambition of contributing to the 2030 Agenda. This is expected to lead to stronger partnerships, enhanced policy engagement, and operations that are more fully embedded in national strategies.

IFAD also aims to substantially increase the size of its programme of loans and grants, while at the same time sharpening its focus. It will continue to broaden its funding sources and to explore innovative financial instruments to increase its capacity to invest (see next section), supported by the new financial strategy.

IFAD has long experience of working in fragile states and situations, and understands the importance of tailored approaches to working in these contexts that entail building resilience and institutions, as well as prioritizing inclusion and flexibility. IFAD will increase resource allocation to the poorest countries and those countries with the most fragile situations, while at the same time assessing capacity of government and institutions to absorb financing.

Business as usual is not an option for achieving the SDGs and, like many other development partners, IFAD is committed to improving its value for money by increasing the impact of every dollar it invests. IFAD is at

the forefront of the movement towards evidence-based development decision-making throughout the project cycle. The organization is strengthening its ability to generate knowledge, provide evidence of what works and demonstrate how resources are translated into development results, through the implementation of a Development Effectiveness Framework and by pioneering in the area of measuring impact on the ground. IFAD is the only international financial institution (IFI) to systematically measure the attributable impact of its operations.

IFAD is also pursuing an agenda that focuses on innovation, learning from innovation, sharing knowledge, and scaling up successes for expanded and sustainable impact. For example, IFAD allocates about 6.5 per cent of its programme of work to grant-funded initiatives that support policy engagement, research and partnerships, and generate, test and implement innovative, pro-poor approaches and technologies.

The organization also harnesses the knowledge of others, through research and global engagement, to complement and deepen its own knowledge base. For example, the flagship *Rural Development Report* provides a thorough, evidence-based analysis of topics that significantly shape the agricultural development process. The 2016 Report focused on inclusive rural transformation and its policy and programme implications. The theme of the next Report, to be released in 2019, is investing in rural youth. By providing reliable data on the rural sector, IFAD supports governments' efforts to design effective and transformative rural policies and investments.

Through its policy engagement work at global, regional and country levels, IFAD seeks to influence policy processes with a view to promoting an enabling policy environment for smallholder agriculture, and for inclusive and sustainable rural transformation.

Four decades of experience in working with smallholders for inclusive rural development makes IFAD a unique organization in the landscape of development finance, particularly in the context of country-led efforts to implement the 2030 Agenda. Going forward, IFAD will pursue opportunities to bring its operational knowledge - derived from rigorous research, impact assessment and evaluation - to the realization of the Agenda, and to promote policy outcomes that advance inclusive and sustainable rural transformation.

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.

“With the majority of the poor living in rural areas, we emphasize the need to revitalize the agricultural sector, promote rural development, and ensure food security, notably in developing countries, in a sustainable manner, which will lead to rich payoffs across the sustainable development goals.” Addis Ababa Action Agenda. 2015.

IFAD is the only international financial institution with a specific mandate to reduce rural poverty by investing in agriculture and rural development. Since it was established in 1977, IFAD’s own financing has largely come directly from its Member States through regular replenishments. But, IFAD recognizes that financing for sustainable development is only partly about traditional development assistance. It is also – indeed primarily - about mobilizing domestic resources, and it includes leveraging climate finance and private sector finance. IFAD uses its own resources to attract cofinancing by national and international partners, so that every replenishment dollar is matched by more than one dollar of cofinancing.

IFAD is committed to identifying new and alternative sources and modalities of finance to drive inclusive rural transformation. In recent years, IFAD has transformed its financial model in order to increase the investment resources at its disposal. For example, IFAD has introduced a Sovereign Borrowing Framework, which allows it to augment its resources by borrowing from its Member States.

Mobilizing greater financial resources will be key to achieving IFAD's goal of a larger programme of work. A new financial strategy is guiding IFAD as it continues to mobilize, as well as to advocate globally for, increased public and private investments in rural development. This will include reinvigorating its engagement with traditional partners, while also leveraging financing from a range of non-traditional donors, in particular from the private sector. In this regard, IFAD is increasingly becoming an assembler of development finance, in addition to being an investor itself - leveraging official development assistance to

generate new resources for rural transformation, and to help countries reach their development goals.

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 smallholders with the rural investment community.

The Fund is driving a global initiative to boost private investment in rural economic development and in financial inclusion for smallholder farmers, especially women and young people. An international conference, organized by IFAD and partners including the Italian Ministry of Economy and Finance⁴ in 2017, identified innovative instruments and partnerships to finance smallholder agricultural development and rural SMEs. The conference underlined that an enabling environment for investment in smallholders and SMEs provides a key entry point to address rural poverty, ensure global food security, and more generally realize the 2030 Agenda.

A major outcome of the conference was a declaration of commitment by IFAD and the Government of Italy to establish a multi-stakeholder Smallholder Agriculture Finance and Investment Network (SAFIN). The network aims to unlock the immense investment potential of smallholders and agrifood-related SMEs by bringing them to the table with public and private financial institutions, governments, businesses and other partners.

IFAD will also establish a facility for debt and equity financing of smallholder organizations and rural SMEs, and particularly young entrepreneurs. The Smallholder and Small and Medium-Sized Enterprise Investment Finance Fund (SIF) will mobilize resources from donors, development finance institutions, investors and foundations to fund rural SMEs that are currently underserved existing banks and investment funds. Additionally, IFAD is expanding use of the public-private-producer partnership (4P) model as a means to increase the level of domestic private sector investment in rural areas.

IFAD has a strong track record of mobilizing climate finance for smallholder farmers. In 2012, it created the Adaptation for Smallholder Agriculture Programme (ASAP), which has become the largest source of financing for the world's poorest producers to build resilience to climate change. The programme is now active in 30 countries. IFAD will build on this success and diversify the funding channels it uses to cover the additional costs of climate mainstreaming.

⁴ The Brookings Institute and the University of Warwick were also co-organizers of the conference

Accountability for delivering

The 2030 Agenda provides a framework for the development activities of the UN, IFIs, multilateral development banks and other partners. It is a key reference point for the UN Member States, as well as for businesses, civil society and other stakeholder - including poor rural people and their organizations. All of them are expected to play a role in realizing the agenda and to hold each other accountable for realizing the promise of the SDGs.

It is important to understand that Agenda 2030 is not only about the 17 SDGs. The goals are accompanied by 169 targets and a set of 230 indicators that are being used to assess progress at global level. Progress is also being tracked through regional and country-specific indicators developed by governments. There are also targets related to the means of implementation of the SDGs, such as financing and investment, partnerships, technology and policy.

Progress and achievements are being monitored through a multi-layered follow-up and review mechanism, building on country-level platforms and processes, with regional-level aggregation and global reporting and policy dialogue under the UN High Level Political Forum, the central UN platform for review and follow-up of the 2030 Agenda and the SDGs.

IFAD monitors its contribution towards achieving the 2030 Agenda through a results framework tied to its Strategic Framework. At the highest level, IFAD tracks progress towards global poverty reduction, food security, nutrition and agricultural investment outcomes, focusing on selected SDG indicators relevant to its mandate. Moreover, IFAD works with governments to formulate results frameworks to monitor the progress and achievements of the projects that it co-finances. This mutual accountability is reflected in IFAD's results framework, which draws on data from country-level monitoring systems.

IFAD's pioneering approach to impact assessment enables it to more rigorously quantify the contribution of its portfolio overall to greater economic mobility of poor rural people, and ultimately to inclusive and sustainable rural transformation, and so to the realization of the 2030 Agenda. Impact assessments have shown that during the period 2010-2015, IFAD's portfolio of projects helped 24 million rural people out of poverty. During the period to 2019-2021, IFAD will step up its reach. It aims to reach 120 million people

and contribute to: 47 million people with increased agricultural production (SDG2); 46 million people with increased market access (SDG2); and 24 million people with greater resilience (SDG1).

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.

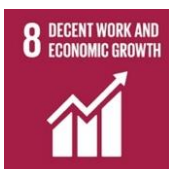
Given its goal of transforming rural areas and its unmatched experience in investing in smallholder farmers, IFAD plays a central role in achieving SDGs 1 and 2.



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 SDG 8 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 (SDG 17).

[Inclusive and sustainable rural transformation and the SDGs: IFAD's experience](#)

IFAD operates 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.

One project has been selected from each of the five regions in which IFAD works. All five projects address poverty (goal 1) by promoting decent rural employment and income generating opportunities (goal 8), for example, through better access to markets and finance, and they directly contribute to tackling hunger and

malnutrition (goal 2). The projects demonstrate how IFAD's investments address inequality (goal 10), in particular, gender inequalities (goal 5) by supporting the empowerment of women and their organisations.

All of the projects contribute to the sustainable management and efficient use of natural resources (goals 13, 14 and 15). One of the projects shows how IFAD contributes to climate change adaptation (goal 13) through the ASAP. Biodiversity protection and enhancement, including agricultural biodiversity, are features of most of the projects as they are crucial to longer-term sustainability of development and life on earth.

Inclusive value chains increase smallholder incomes in Malawi

Malawi is undergoing a period of economic liberalization, which puts smallholder farmers at risk as market competition increases. Many don't have access to markets and lack the knowledge, skills and financial resources to benefit from commercial opportunities. 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 protecting them from the impacts of climate change. The Rural Livelihoods and Economic Enhancement Programme (2007 to 2017) has strengthened 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 in value chain development 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.

Cocoa, coffee and climate change in Nicaragua

Coffee production is the backbone of the rural economy in large parts of Nicaragua, with most high quality beans coming from smallholder farmers. The cocoa value chain, however, remains under-developed and vulnerable, despite a growing demand for cocoa from Nicaragua and significant international investment. The market outlook for these two crops is positive, creating an opportunity for higher income and productivity gains. However, the expected impact of climate change, such as rising temperatures and lower rainfalls, will have a major negative impact on Nicaragua's coffee exports and livelihoods in rural areas. They must adapt existing crop varieties to new climatic conditions. To address this situation, IFAD and the Government of Nicaragua aim to improve incomes and quality of life for rural families, while reducing their vulnerability to the impact of climate change, by helping them access markets for value-added coffee and cocoa. The Adapting to Markets and Climate Change Project, being implemented from 2014 to 2021, shows how to use public-private-producer partnerships and climate finance to make value chains more inclusive and profitable in spite of climate threats. Producers' organizations are working in partnership with the Government and the private sector to boost the smallholder farmers' competitiveness and improve their skills in production and business management. The project also introduces farm management practices that will help them to adapt to climate change.

Project contribution to the SDGs



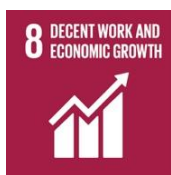
Smallholder farmers can look forward to higher incomes and a better quality of life because the project assists them to produce higher value crops, and to sell at higher prices. The project's attention to the potential impact of climate change, such as increased temperatures and lower rainfall, will help to protect their incomes into the future. Through their partnership with the private sector and the Government, smallholders will also benefit from an expected 20 per cent average growth in the value of cocoa and coffee value chains. International companies are also interested in linking with small producers in the country.



Child malnutrition is expected to decrease by at least 10 per cent among rural families reached by the project, as incomes and living standards rise. The project is refining strategies to strengthen this link between rising incomes and improved nutrition.



The project has a specific strategy to ensure that women, especially those heading their households, have equal opportunities to benefit from the services provided by the project, including employment, training and access to credit.



Smallholder farmers are working in win-win partnerships with private companies and the Nicaraguan Government. Farmers have guaranteed buyers at an agreed price, and have help with better post-harvest handling, including their use of storage facilities. Companies gain because they can process and export larger quantities of higher quality produce. The Government is helping smallholder farmers with access to credit and international markets.



Smallholder farmers producing coffee or cocoa and families belonging to indigenous and Afro-descendant communities are the main target groups. However, the project has used a carefully balanced approach to identify the participating smallholders, taking into account their productive potential, while also ensuring inclusion. Criteria include: vulnerability to climate change, poverty, gender, and inclusion of vulnerable populations.



The project is making climate science work for smallholders. For example, climate models are being scaled down to specific geographical areas in order to understand the likely longer term impacts on the cocoa and coffee value chains. The national weather station network is also being expanded. The project offers good climate change mitigation benefits. These are expected to flow from measures such as the rehabilitation of cocoa and coffee plantations to make them more resilient to diseases and thus improve biomass, as well as improved agronomic management and soil conservation.



The project is experimenting with different combinations of cocoa varieties to improve productivity without losing the benefits of local varieties. This helps to preserve agricultural biodiversity, while allowing smallholders to harness the benefits of varieties offering higher yields and resilience to climate stresses such as drought.

Inclusive fish-farming reduces malnutrition and increases incomes in Bangladesh⁵

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.

⁵ Sunamganj Community-Based Resource Management Project was implemented between 2003-2014.



Fish production habitats were transformed. The project created fish refuges, introduced closed fishing seasons and planted swamp trees to restore habitats. Fish biodiversity increased from 88 to 133 species because of better management of the *beels*. Fish production increased by approximately 60 kg/ha. Infrastructure development included village erosion and flooding protection works.

Morocco's pastoral communities reverse rangeland degradation

An innovative, community-based natural resource management approach in the eastern part of Morocco has given more than 4 000 livestock farmers new opportunities to earn a living and avoid hunger. The second phase of the Livestock and Rangelands Development Project in the Eastern Region, from 2004 to 2010, worked with tribal institutions to reverse the desertification of the grassland ecosystem – the very source of their livelihoods. Pastoral cooperatives established by the project ensure more inclusive management of the rangelands, and have become the source of growth in the area. Livestock farmers were trained in techniques to manage the rangelands and conserve natural resources, which helped reduce land degradation and increased water availability. Overall, agricultural productivity has increased and so have incomes, which has also led to improved nutrition in rural communities. Young people also have been trained in livestock management and, with access to micro-credit, have invested in and developed their own businesses.

Project contribution to the SDGs



With increased incomes, households could buy more livestock and household goods. Access to finance meant that people could create income-generating activities related to livestock, handicrafts and providing services.



Chronic malnutrition was halved, reducing it to 15 per cent of the population, and the rate of underweight children in project areas fell from 25 to 6 per cent. By the end of the project, annual food shortages affected 4 per cent of households, down from 66 per cent.



Women were given specific support to set up income-generating activities and were trained in literacy skills. They accounted for 44 per cent of those accessing credit.



Local people were given jobs planting forage and other rangeland management activities. The project created 23 000 work days for local people.



The project specifically targeted very poor people living in remote areas to bring them into the economic mainstream and improve their lives. Young people have benefited from profitable business opportunities, which have prompted some young people to return from the cities and overseas.



The project set up an early warning strategy for drought to help adapt to a climate with less rainfall.



Community-based natural resource management helped to regenerate a degraded grassland ecosystem and increase soil organic matter, as well as improve the carbon storage and water retention of soils. The number of rural households with access to water for themselves and their animals jumped dramatically from 5 to 65 per cent by the end of the project.

Building resilience for poor farmers and pastoralists in the Sahel

Niger's Maradi region in the Sahel is one of the world's worst affected by climate change. Its fragile natural resources have increased poverty among the rural population and their dependence on rainfed agriculture. Maradi was the epicenter of food crises that followed severe droughts in 2005 and 2010, and is vulnerable to future climate shocks. IFAD has designed the Food Security and Development Support Project in the Maradi Region to work with local NGOs and farmers to 're-green' 100,000 hectares of land using traditional farming methods. The project will improve the living conditions and resilience of smallholder households in the region through economic development, based on the marketing of cereals, market-garden produce and livestock. It will be introduced in 18 communes in farming and agro-pastoral areas, benefiting over 450,000 people – primarily women and young people. As well as improving the productivity of smallholder farmers and pastoralists by introducing new technologies, the project will focus on improving nutrition security for vulnerable groups and ensure that land will be sustainably managed for future generations.

Project contribution to the SDGs



The project established a fund to support the development of small and micro-enterprises. More than 1600 people, including women, youth and members of producer organizations have benefited through the project's support.



Women's food security reserves⁶ provide village women with grain during the lean period. Almost 14 450 women and their families have benefited from the reserves, and periods when there is little food have dropped from 5.5 to 3 months per year.



Members of community groups have received training that has helped to build support for activities that empower women.



More than 20 producer organizations were assisted to develop viable business plans and access financing. The project's farmer field schools have trained more than 10 000 people in agriculture and natural resource management.

⁶ greniers féminins de soudure.



More than 100 000 hectares have been naturally regenerated, increasing the resilience to climate change of 60 000 rural households.



Wild animals (birds, reptiles, mammals), as well as plant species have returned to these improved habitats. A forest management plan for the Dan Kada reserve created an increased biomass, as well as forest cover of up to 70 per cent. Invasive species have been eliminated in 6250 hectares.

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“This Agenda is a plan of action for people, planet and prosperity. It also seeks to strengthen universal peace in larger freedom. We recognize that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development. All countries and all stakeholders, acting in collaborative partnership, will implement this plan. “

Preamble, Transforming our world: the 2030 Agenda for Sustainable Development. United Nations. 2015.

