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Investing in rural people

Highlights of the international conference on “Investing in inclusive rural transformation: Innovative approaches to financing”, 25-27 January 2017

Note to Executive Board representatives

Focal points:

Technical questions:

Ashwani K. Muthoo
Director
Global Engagement, Knowledge and Strategy
Division
Tel.: +39 06 5459 2053
e-mail: a.muthoo@ifad.org

Dispatch of documentation:

William Skinner
Chief
Governing Bodies Office
Tel.: +39 06 5459 2974
e-mail: gb_office@ifad.org

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For: Information

Highlights of the international conference on “Investing in inclusive rural transformation: Innovative approaches to financing”, 25-27 January 2017¹

I. Introduction

Dates, location and attendance

1. The international conference “Investing in inclusive rural transformation: innovative approaches to financing” was held in Rome on 25-27 January 2017. The event was organized jointly by IFAD and the Ministry of Economy and Finance of Italy, in conjunction with the Brookings Institution and the University of Warwick (United Kingdom).
2. The high-level inaugural session took place at the Italian Ministry of Economy and Finance on 25 January, and the second and third days of the conference were held at IFAD headquarters.
3. The event brought together more than 250 participants, including policy- and decision-makers, and representatives of government organizations, the private sector, investment institutions, research and academic centers, multilateral and bilateral development organizations, civil society and others.

Rationale

4. The need to increase investment in rural economic development and financial inclusion, in order to fulfil the new 2030 Agenda for Sustainable Development (Agenda 2030), is widely recognized. Among international financial institutions, IFAD has unique experience and expertise in promoting inclusive rural investment, targeted on smallholder farmers and rural small and medium-sized enterprises (SMEs).
5. In recent years, the Fund has worked with a number of partners to advance innovation and inclusive dialogue on rural transformation. In particular, in October 2015, IFAD and the Italian Ministry of Economy and Finance co-hosted a high-level event on “Finance for Food: Investing in agriculture for a sustainable future” at the World Food Day celebrations at Expo Milan. Moreover, the Addis Ababa Action Agenda for financing development, launched during the Third International Conference on Financing for Development in July 2015 as an integral part of Agenda 2030, confirms the “rich payoffs” that investment in rural transformation and agriculture can deliver across the Sustainable Development Goals (SDGs). As a strong supporter of the Addis Ababa Action Agenda, IFAD is committed to identifying new and alternative financing sources and modalities to drive inclusive rural transformation.
6. The rationale for convening this conference responded to four key needs. The first is to support, expand and leverage ongoing efforts to improve the institutional and policy environments for vibrant and inclusive rural markets in many parts of the world. The second is the need to support, expand and take advantage of growing private-sector interest in investing in rural areas (in infrastructure, energy, food supply chains, financial systems and others), working with rural producers and serving rural clients. Thirdly, there is a need to take stock of innovative experiences – policies, institutional approaches, business models, financial products and services for rural investors – that can be taken to scale. Lastly, development finance institutions, policymakers, business, experts and academia need to be brought together around the same table, to connect innovative business practices and investment opportunities with efforts in the political and policy domains, and to

¹ The full programme of sessions, along with the concept note, background papers, speakers' biographies, session videos, photos and other material are all available on the conference web page at www.ifad.org/ruraltransformation.

help development partners best define their role in advancing the agenda in a practical, rigorous and evidence-informed manner.

7. IFAD plans to organize such conferences more regularly – every two years – focusing on contemporary topics linked to financing and rural transformation.
8. Objectives. The objectives of the conference were to:
 - (a) Advance understanding of the opportunities and challenges involved in mobilizing finance for inclusive and sustainable rural transformation;
 - (b) Identify new, effective and efficient instruments and partnerships to finance smallholder agriculture development and rural SMEs; and
 - (c) Lay out a country-differentiated, evidence-based policy and institutional agenda to leverage financing for inclusive rural investments.
9. The conference offered two days of solution-focused sessions and discussions, featuring nearly 60 speakers, who engaged in six plenary sessions and three parallel innovative practice clusters.
10. Format. The event was opened by the President of IFAD, Kanayo F. Nwanze, and the Italian Minister for Economy and Finance, Pier Carlo Padoan; and it featured four eminent keynote speakers: Eric Maskin, Adams University Professor at Harvard University and 2007 Nobel Laureate; Homi Kharas, Senior Fellow and Deputy Director, Global Economy and Development, Brookings Institution; Jean-Michel Severino, President, Investisseurs & Partenaires (I&P) and former Director General of the Agence Française de Développement; and Montek Singh Ahluwalia, former Deputy Chairman of the Indian Planning Commission.

II. Communication and media

11. The communication effort around the conference began several months before the January event and entailed both strategic internal and external communication actions. These included the conceptualization and development of a compelling visual identity for the event, which was applied to all conference materials, and used to enhance the meeting venue; the creation of an Eventbrite invitation that could be shared electronically and help manage registration; and the development of an event page on the Fund's corporate website (see footnote 1).
12. The event was entirely paperless – an IFAD first – and the conference event web page was used to house all conference background papers, the bios of the speakers, videos of keynote addresses and panel discussions, as well as a photo gallery and other relevant information.
13. In a period of nearly three weeks leading up to the conference, and then during and after the event itself, 5,000 page views were logged on the event web page, making it the fifth most visited page on IFAD's website that January. Social reporting, including posts on Facebook and Twitter, occurred during plenary panel sessions, generating a clear peak in activity and engagement on the days of the conference. In addition, a number of Facebook Live interviews were conducted during the conference, including with Paul Winters, Jean-Michel Severino, Laura Frigenti and Valentina Muiesan, generating more than 5,000 views to date.
14. The main focus on the media front entailed ensuring that IFAD maximized the conference's potential to attract media attention, while also educating journalists about the topic and building interest leading up to the event. These activities began in December 2016 with a seminar held in cooperation with the National Federation of Italian Journalists and the Order of Lazio Journalists in central Rome. The programme included several speakers from IFAD and from its key partner organizations. Eighty journalists attended the event, nearly all of whom stayed for the full five-hour programme.

15. A media advisory and press releases were issued at the opening and closing of the event, generating over 350 news articles.
16. In addition, through an IFAD-funded grant aimed at enhancing capabilities among journalists from developing countries, the Thomson Reuters Foundation, which is the non-profit arm of the Reuters news agency, organized a training workshop on the fringes of the main event, and used the conference itself as a reporting opportunity for about a dozen journalists from developing countries.
17. A dynamic internal communications effort ensured that IFAD staff were informed about plans for the conference, including a page on IFAD's intranet and an internal event for staff as part of the "IFAD Interact" discussion series.
18. Small interdepartmental teams of IFAD staff collaborated to create dynamic plenary panels and breakout cluster sessions.

III. Main conference outcomes

19. The event highlighted the need to take urgent action to find innovative ways to mobilize the financial resources required to achieve the first two SDGs on ending poverty and hunger by 2030, stressing the importance of ensuring that all rural people can access financial services to invest in their own development.
20. Participants and speakers highlighted the enormous need for development financing and also identified opportunities moving forward, with a continuously growing agrifood sector holding tremendous promise for the private sector and producers in developing countries. In this context, IFAD was recognized not only as an effective actor in the field, but also as an effective convener of globally relevant policy and investment initiatives.
21. One of the most important outcomes of the conference was the announcement to establish the Smallholder Agriculture Finance and Investment Network (SAFIN), an initiative aiming to bring together private, public and philanthropic sectors and rural farmers and enterprises to resolve rural financing challenges with coordinated action and investment.

Smallholder Agriculture Finance and Investment Network (SAFIN)

22. Motivated by the Agenda 2030 and the Milan EXPO, the goal of the SAFIN initiative is to step up and help coordinate a network that will strengthen coherence among the numerous actors and initiatives working on this issue – and thus drive smarter and more innovative approaches to improving access to finance for the communities that IFAD serves – i.e. people and their businesses.
23. The announcement of the SAFIN has received strong support from the Government of Italy (as announced by Pier Carlo Padoan, Minister of Economy and Finance, during the high-level inaugural session) and collaboration with a diverse set of stakeholders to support the further evolution of this concept.
24. A strong and diverse group of institutions has volunteered to help turn the SAFIN into reality. These include the African Rural and Agricultural Credit Association, the African Development Bank, the Brookings Institution, the Gujarat Cooperative Milk Marketing Federation, the Consultative Group to Assist the Poor, the Initiative for Smallholder Finance, I&P, the Food, Agriculture and Natural Resources Policy Analysis Network, the Small Foundation, the Bill & Melinda Gates Foundation, the Alliance for a Green Revolution in Africa, TechnoServe, individual representatives of farmers' organizations, as well as IFAD and the Italian Ministry of Economy and Finance.
25. To fulfil its role effectively, SAFIN will need to achieve meaningful engagement with the farmers' organizations, cooperatives and rural SMEs it aims to serve. IFAD's solid history of engagement and its foundation of trust in this community will be

major assets in this effort going forward, in addition to leveraging early-stage partners.

26. Over the coming months, the members of the network – including IFAD – will identify various thematic work streams to facilitate these objectives and identify critical gaps in the global environment from the standpoint of promoting smallholder development. A secretariat will be set up in IFAD headquarters to start working on the agreed priority activities and assist in forming an interim steering group in the lead-up to its formal launch later in 2017. The exact timing of the launch will be decided by the group that eventually forms its steering committee. Finding the appropriate moment and venue for the secretariat's launch will be worked out with this group in the coming months.

Smallholder and Small and Medium-Sized Enterprise Investment Finance Fund (SIF)

27. Following the discussions at the conference, IFAD intends to create a Smallholder and Small and Medium-Sized Enterprise Investment Finance Fund to provide debt and equity financing for smallholder organizations and rural SMEs, to be capitalized from non-replenishment resources. The SIF will leverage IFAD's portfolio of public sector-funded programmes, its de-risking mechanisms, financial instruments, blending opportunities with other partners, its smallholder organization client base, and its field presence and retailing capacity, garnered over 40 years of work in rural development financing. This financing vehicle will target investments that directly benefit small rural businesses; and it will disseminate a common vision to co-invest and share risks and benefits among participant stakeholders. The SIF intends to provide mostly debt finance in the range of US\$50,000 to US\$500,000 directly to SMEs and to the larger and more structured rural producers' organizations.

Outcome documents

28. IFAD has issued a brief outcome document summarizing the key conference highlights. It is also producing a more comprehensive publication – a knowledge product – focusing on the conference themes, capturing the main highlights and, moving forward, looking at how IFAD and the international community can respond to the major challenge of mobilizing and effectively channelling innovative investments for sustainable and inclusive rural transformation.