



Investing in rural people

Inclusive investment

Rural people, state and business
in the post-2015 agenda



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The world has set an ambitious target: to end poverty and hunger by 2030. This vision underpins the Sustainable Development Goals (SDGs), the Financing for Development Agenda and the United Nations Climate Change Conference (COP21) which, taken together, today offer a new road map for improved well-being and prosperity for all. But the next step is to translate that road map into actual outcomes, and that means mobilizing all partners to scale up action to achieve the targets.

Rural areas, where more than 70 per cent of poor people live and work, lie at the heart of this agenda. This is why rural people – small-scale food producers, particularly women, indigenous peoples, family farmers, pastoralists and fishers – are explicitly referenced within the SDGs. But development efforts must be made more inclusive if they are to reach poor and marginalized groups living in neglected rural areas. Thus, at the beginning of the post-2015 period, it is important to consider precisely how investment should be undertaken if poverty is to be eradicated and the potential of rural people realized.

What kinds of investments are required? What kinds of mechanisms will need to be put in place so that win-win scenarios become win-win realities? Who are the key actors – public and private – that will make it happen? What role can the private sector play to support governments in driving the agenda? And how will rural people themselves be involved, giving them a voice in their own development? The thirty-ninth session of the Governing Council of IFAD will put these and other critical questions on the table.

It is important to recognize that smallholder farmers are themselves part of the private sector. And the vast majority of private companies in developing countries are local micro, small and medium enterprises (MSMEs). An extremely large share of MSMEs operates in the informal sector, and also provides a large share of employment and GDP in developing countries.

Boosting on-farm productivity and creating off-farm opportunities will be central to improving the lives of rural inhabitants. And in this regard, marshalling the vast resources of the local and international private sectors will be critical. But while private-sector participation and investment in rural areas is already a reality – and has further untapped potential – it is not a panacea, it is not automatic, and will only work in tandem with increased investment and actions by governments themselves. Specific steps are needed to ensure that public and private investments generate improved livelihoods for all rural people, including smallholder farmers, land-poor and landless workers, women and youth, marginalized ethnic groups, and victims of disaster and conflict.

To be successful, investments in the post-2015 world must be inclusive. And it is not just inclusion but the quality of inclusion that matters. Inclusion must result in fair prices for smallholders, opportunities to connect to high-value market segments, decent employment opportunities, and women's participation and empowerment. In this regard, IFAD's experience has shown that putting people at the centre of development is essential. When inclusive investment models link farmers, public entities and businesses through public-private-producer partnerships which explicitly take into account the needs and rights of smallholder farmers, sustainable benefits (enhanced livelihoods, environmental sustainability, and profits) are realized by all parties.

IFAD's Governing Council and the Farmers' Forum that precedes it will bring together all parties that should have a say in how inclusive investments and interactions are framed and how they evolve. These events will thereby model a kind of dialogue that will be essential for realizing the promise of the post-2015 agenda.



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