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Investing in rural people

## **A Strategic Vision for IFAD 2016-2025: Enabling inclusive and sustainable rural transformation**

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## **A Strategic Vision for IFAD 2016-2025:** **Enabling inclusive and sustainable rural transformation**

### Summary

*As an integral part of the emerging post-2015 global development agenda and vision, IFAD envisages a post-2015 world in which extreme rural poverty is eliminated through inclusive and sustainable rural transformation; where every rural family lives in dignity; where poor rural people and communities are empowered to build prosperous and sustainable livelihoods; where rural families no longer go hungry, assured of their food and nutrition security; and where young people can hope to realize their aspirations for a better life in their own rural communities.*

In the global effort to realize this Vision:

- IFAD plays both a leadership and a catalytic role. It leads by forging partnerships with governments, rural communities, farmers' organizations, the Rome-based agencies (RBAs) and other development partners. Through such partnerships it leverages its financial resources, expertise, and knowledge.
- IFAD is the partner of choice for governments, institutions, and smallholder farmers, recognized as the premier UN Agency and international financial institution (IFI) that has built a clear comparative advantage in smallholder agriculture and rural development.
- IFAD is the recognized global leader in investment in smallholder agriculture, rural people and rural communities achieved by mobilizing and leveraging resources and by developing innovative financing mechanisms and instruments.
- IFAD continues to develop and innovate in its areas of expertise and comparative advantage, adjusting its operational priorities in response to changes in smallholder agriculture and the rural economy. It recognizes the comparative advantage of its partners in other policy and development areas.
- In the IFAD10 period, IFAD consolidates and advances the work begun under IFAD9, paying particular attention to: mainstreaming gender equality and women's empowerment; mainstreaming climate-smart agriculture and the sustainable management of natural resources; promoting nutrition-sensitive agriculture; laying the foundations for stronger partnerships with the private sector; and promoting the social and economic empowerment of poor rural people and strengthening their resilience.
- IFAD mainstreams scaling up in all phases of its operations and gives greater emphasis to the sustainability of its programmes and projects, viewing scaling up as mission-critical.
- IFAD continues to diversify its knowledge and expertise and adopts a differentiated approach for its work in various country contexts – fragile states, low-income countries, and middle-income countries.
- IFAD develops its knowledge generation and sharing capacity, particularly in the area of impact evaluation studies, to learn from its experience, encourage innovation, support policy dialogue and improve the impact of its operations. IFAD encourages knowledge-sharing with members, with a particular focus on South-South and triangular cooperation.
- IFAD continues to enhance its effectiveness and efficiency by consolidating its reforms of the last 10 years in its business model, organizational structure, human resource management and business processes. It ensures that its organization continues to be fit-for-purpose, demonstrating that investment in smallholder agriculture is good value for money.

## I. Introduction

1. At the first meeting of the IFAD10 consultations, members requested IFAD to present a paper on a "Strategic Vision for IFAD" for the IFAD10 period and beyond, to be tabled at the second meeting in June 2014. The Strategic Vision paper is expected to provide the broad direction and framework for the thematic discussions during the IFAD10 consultations.
2. This paper presents a Strategic Vision for the consideration of members. It is organized as follows. Section II discusses the changing global context for smallholder agriculture, noting the critical role that smallholder agriculture and rural transformation must necessarily play in the emerging post-2015 global development agenda of inclusive and sustainable development. Section III discusses the unique position of IFAD in the international architecture for development cooperation and the comparative advantage it has built since its establishment in 1977. Section IV lays out a ten-year Strategic Vision of IFAD, 2016-2025, covering not only the IFAD10 period but later replenishment periods as well. Subsequent to the IFAD10 consultations, IFAD will develop a Strategic Framework for 2016-2025 that will be informed by the outcomes of the consultations.

## II. The changing global context for smallholder agriculture and rural development and the post-2015 global development agenda

3. The global context for smallholder agriculture and rural development has changed significantly in recent years and will undoubtedly continue to change in major ways in the post-2015 period. IFAD's operations and activities in the future will necessarily be affected by these changes and their development impact will depend on how well smallholder farmers, governments, and IFAD address key challenges, such as climate change, and how well they take advantage of emerging opportunities such as increasing demand for food resulting from higher incomes and rapid urbanization.
4. In this section, the key drivers of the changes that are likely to affect smallholder agriculture and rural development are discussed together with their implications for IFAD's operations. Further, as national and international efforts to promote smallholder agriculture and rural transformation will be guided by the emerging post-2015 global development agenda, IFAD has identified key issues that will need to be addressed to enable rural transformation to contribute to the global goal of inclusive and sustainable development.

### **The changing context for smallholder agriculture and rural development: key drivers**

5. **Smallholder producers are likely to remain the main producers of food in many developing countries.** Agriculture remains the mainstay for the livelihood of rural people in developing countries, with some 500 million smallholder farms supporting some 2-2.5 billion people and responsible for up to 80 per cent of the food produced in sub-Saharan Africa and parts of Asia. Although their number may decline in the long-term, smallholder family farmers are likely to remain major producers of food in developing countries in the next decade and beyond. National and global development efforts will therefore have to give due priority to smallholder agriculture.
6. **The trajectory of global poverty reduction will depend greatly on the trajectory of rural poverty reduction.** Over 1.2 billion people, most of them in developing countries, still lived in extreme poverty (below US\$1.25 a day) in 2010. Over seventy per cent of them are rural. And while the most intractable extreme

poverty is found in fragile and conflict-affected countries, an increasing number of the rural poor live in middle-income countries. Emerging global initiatives to eliminate extreme poverty must necessarily have as a major focus reducing extreme rural poverty.

7. **Food and nutrition insecurity will continue to affect large numbers of people.** Linked to poverty but influenced by a range of other factors, food insecurity, hunger and undernutrition continue to affect large numbers of people. FAO placed the number of the chronically undernourished at 842 million in 2013. While the number of hungry people may decline, it will still remain significant in developing countries. Development of smallholder agriculture will therefore have to play a key role in addressing hunger, malnutrition and food security.
8. **The prospects for the emergence of dynamic rural economies are promising.** Rural economies are changing rapidly with the diversification of rural livelihoods, in part financed by the inflow of remittances. Investment in rural areas – in smallholder agriculture, infrastructure, markets, etc. – has the potential to create dynamic rural economies through greater synergy between rural and urban economies. Agricultural development efforts, such as those of IFAD, would therefore need to be framed in the changing context of more complex rural economies.
9. **Opportunities and challenges will be created by rapid urbanization and rural-urban integration.** Urbanization, combined with rapid economic growth, continues apace in most regions, and on a massive scale, creating new markets and opportunities for rural economic growth and poverty reduction. New patterns of rural-urban integration are also emerging, often resulting in greater competition for natural resources but also accompanied by new economic opportunities for poor people in rural and peri-urban areas. The efforts at rural transformation, including those of IFAD, will therefore need to be designed to take advantage of these emerging opportunities.
10. **Agriculture is likely to become attractive for large-scale private-sector investment in the coming decade.** In response to higher returns in agriculture, an increasing amount of private capital is now being channelled into large-scale commercial agriculture. For smallholder farmers, this will create both risks, such as increased competition for land and water resources, and opportunities in the form of improved access to technology, inputs and markets. Mitigating the risks and taking advantage of the opportunities will require that IFAD and its partners, particularly the Rome-based agencies (RBAs), advocate for and support the Principles for Responsible Agricultural Investments that have been proposed by the Committee on Food Security (CFS).
11. **Increasing environmental pressures and climate change can adversely affect the prospects for growth and poverty reduction.** Growing environmental pressures are evident, from declining water and soil availability to pollution of marine and terrestrial ecosystems. With population growth and urbanization and as economies develop, such pressures will increase and climate change is likely to exacerbate them. The sustainable use of natural resources and promotion of climate-smart agriculture will therefore have to become integral elements of all development efforts.

### **Smallholder agriculture and rural development in the post-2015 global development agenda**

12. Recent global consultations on the post-2015 development agenda indicate an emerging consensus on key development goals. These include the eradication of extreme poverty, the equitable sharing of benefits from economic growth, the

creation of decent job opportunities for all, the sustainable management of natural resources, and effective adaptation to climate change.<sup>1</sup>

13. IFAD believes that smallholder agriculture development and rural transformation will need to be an integral part of the post-2015 global development agenda if its goals are to be attained. Rural households account for a large proportion of the people who live in extreme poverty and who are hungry and malnourished, and many of them are smallholder farmers. At the same time, smallholder farmers account for up to 80 per cent of the food produced in many developing countries. The development of smallholder agriculture, along with the growth of the rural economy, can therefore be powerful engines of inclusive and sustainable development. They can contribute to economic growth, employment and poverty eradication, gender equality, food and nutrition security and the sustainable management of the environment.
14. Enabling smallholder agriculture and rural transformation to contribute to the post-2015 global development agenda will require action in four areas.
  - **Increasing investment in smallholder agriculture.** Smallholder agriculture is strategically important for inclusive and sustainable development. It is a major employer and source of poverty-reducing growth. It is also a major user of natural resources and contributor to global greenhouse gas emissions, as well as the sector on which food security and nutrition chiefly depend. To contribute to the attainment of the post-2015 goals, smallholder agriculture will need to change profoundly to meet increasing demand while also facing the challenges of harsher environmental conditions, more competitive and volatile markets, and climate change.
  - **Empowering rural men and women.** Many developing countries have achieved great progress in reducing poverty over the last 30 years. However, in many contexts poor rural people have continued to be marginalized. To reverse this trend, an inclusive development agenda would need to empower rural men and women through secure access to natural resources and productive services, building their skills and knowledge to take advantage of new economic opportunities, and promoting the effective participation of rural people and their organizations in policy-making.
  - **Strengthening the resilience of poor rural households.** Poor rural people are vulnerable to a range of shocks that push them into poverty or prevent them from moving out of poverty. Some of the risks confronting rural households are long-standing; others, such as climate change, are relatively new. Key areas for improving rural resilience, as part of a strategy to eliminate extreme poverty, would need to include adoption of sustainable agricultural intensification approaches, more secure tenure over natural resources, and improved access to knowledge, finance, services, markets and technology.
  - **Leveraging the rural-urban nexus for development.** As rural and urban spaces become increasingly integrated, the rural space needs to play a central role in creating more sustainable and inclusive economies and societies. The rural space has to be transformed so as to enable the efficient and sustainable provision of a broad range of goods and services. A policy agenda for such transformation would include securing the asset base of rural women and men, addressing rural-urban gaps in quality of services and opportunities, strengthening rural-urban connectivity, and integrating territorial and ecosystem governance.

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<sup>1</sup> IFAD is contributing to the post-2015 consultation process through its Member States and has made a number of proposals. See *"IFAD post-2015 Policy Briefs"* for a more in-depth discussion of these proposals.

15. Given the broad scope of this agenda for smallholder agriculture development and rural transformation, it is clear that it can only be realized through effective partnerships between governments and their development partners. IFAD plans to play a central and catalytic role in such efforts, as many of the elements of the agenda fall in areas in which it has built a clear comparative advantage. IFAD realizes, however, that its development partners have comparative advantage in complementary areas – such as in addressing rural-urban gaps in quality of services and opportunities, improving governance, and investments in large-scale infrastructure, education and health. IFAD will therefore need to work closely with these institutions and develop effective partnerships to deliver on this ambitious agenda.

### III. IFAD's unique strategic position in the global development architecture and its comparative advantage

#### The evolution of IFAD

16. IFAD was established in 1977 with a unique dual identity -- that of a United Nations Specialized Agency and an international financial institution (IFI). It was established with the specific objective of mobilizing additional resources for agricultural development, to finance projects and programmes that improve food production systems, and to strengthen policies and institutions in developing countries. A particular consideration was to be given to the poorest food-deficit countries with the goal of improving the "nutritional level of the poorest populations and the conditions of their lives".<sup>2</sup>
17. In the course of its nearly four decades of operation, IFAD has changed and adapted its business model and its operations in response to the changing conditions in its client countries, by drawing on both the lessons of its own experience and new thinking on smallholder agricultural development and rural poverty reduction.<sup>3</sup> In particular, since 2005 IFAD has implemented a series of reforms under its Action Plan to Improve Development Effectiveness (2005) and its Change and Reform Agenda (CRA) launched in 2009.
18. The reforms have changed the way IFAD conducts its business and have led to significant improvements in results and impact. They have also enabled IFAD to build a clear comparative advantage in smallholder agriculture and rural development. The reforms have encompassed the following four pillars:
- **Changes in IFAD's business model and operations.**<sup>4</sup> IFAD has taken a series of actions to improve the quality of its projects at entry and strengthen their operation through direct supervision and implementation support.<sup>5</sup> IFAD has become a much more decentralized institution with the opening of 40 IFAD country offices (ICOs). The orientation and content of IFAD's projects have also changed. A growing proportion of its projects are now designed in the context of market opportunities and value chains. Gender equality and women's empowerment have been given high priority and are increasingly mainstreamed. And through its Adaptation for Smallholder Agriculture Programme (ASAP), IFAD is giving greater priority to climate-smart

<sup>2</sup> See Article 2 of the *Agreement Establishing IFAD, 1977*.

<sup>3</sup> An important turning point, in this regard, was the commissioning by IFAD in 2005 of an independent external evaluation (IEE) of the organization by IFAD's Office of Evaluation.

<sup>4</sup> The change in IFAD's business model and the improvements in the results and impact of IFAD programmes and projects since IFAD8 are discussed in *IFAD at the mid-term of the Ninth Replenishment* (Ref: IFAD10/1/R.2) – a paper tabled at the first meeting of the IFAD10 consultations in February 2014.

<sup>5</sup> See paper on IFAD's Business Model.

agriculture. IFAD has also begun to give much greater emphasis to scaling up the impact of its programmes and projects.<sup>6</sup>

- **Mobilizing resources and strengthening financial management.** IFAD has succeeded in mobilizing significant resources from its members through the triennial replenishment exercise, as well as through cofinancing. In particular, the IFAD8 replenishment, covering 2010-2012, represented a 67 per cent increase over IFAD7. For IFAD9, members agreed on a further 25 per cent increase in their own contributions. Under IFAD8, IFAD was able to reach a nearly \$3.0 billion programme of loans and grants (POLG) and an overall programme of work (POW) of \$7.5 billion when cofinancing is taken into account. IFAD has thus been successful in mobilizing resources through these modalities.
- **Knowledge management.** Aware of the importance of knowledge management for a deeper understanding of the challenges of agriculture and rural development, IFAD introduced its knowledge management (KM) strategy in 2007. Building on the experience to date, the framework was updated in 2013, aiming to improve knowledge generation as well as knowledge sharing across IFAD and with partners. An important new initiative in this regard was the launch in 2013 of a programme of impact evaluation studies that are being undertaken in cooperation with organizations specialized in this field. And with the goal of strengthening IFAD as a knowledge institution, the Strategy and Knowledge Department (SKD) was established in 2011.
- **Organizational strengthening and value for money.** Under IFAD9, management committed to enhance IFAD's institutional efficiency by introducing new management tools to better monitor the costs of its business processes and to facilitate cost containment and reduction. It also undertook to consolidate its human resources reforms. In addition, the IOE issued a comprehensive corporate-level evaluation of IFAD's effectiveness and efficiency in 2013.<sup>7</sup> The recommendations of the evaluation report have now been incorporated into the 2013 Consolidated Action Plan to Enhance Operational and Institutional Efficiency that is currently under implementation. IFAD is confident that improved institutional and operational efficiency, along with enhanced results and impact, will demonstrate that investment in smallholder agriculture is indeed good value for money.

### **IFAD's strategic position and its comparative advantage**

19. IFAD's specific mandate, its dual identity, and its unwavering focus on smallholder agriculture and rural development since its establishment have given it a unique role in global efforts to develop smallholder agriculture, reduce rural poverty, and enhance food and nutrition security. IFAD has, however, gone further and strengthened its strategic position in the international development architecture by adapting to the changing realities of agriculture and rural development, by responding effectively to the evolving needs of its clients, and, as discussed above, by implementing rigorous reform programmes.
20. Over the last four decades, IFAD has developed a *comparative advantage* in smallholder agriculture, rural development and rural poverty reduction by:
  - realizing fully its mandate *to operate globally while focusing solely on smallholder agriculture development and rural poverty reduction*;

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<sup>6</sup> Towards this end, it has begun to play a more consistently active role in supporting national policy processes aimed at promoting a favourable and enabling environment for smallholder agriculture and for scaled-up impact.

<sup>7</sup> See IOE, Corporate Level Evaluation of IFAD's Institutional efficiency and the Efficiency of IFAD-funded Operations, April 2013.



- *mobilizing financial resources* from its member states and from cofinancing to significantly increase investment in smallholder agriculture, rural development and rural poverty reduction, despite the declining trend, until recent years, in the share of ODA to agriculture;
  - developing *innovative approaches and the operational know-how* needed to work effectively with millions of smallholders across the globe and *to effectively combine knowledge with financial resources for scaled-up impact*;
  - building *specialized expertise* in such areas as women's empowerment, farmers' and producers' organizations, smallholder natural resource management, sustainable technology, inclusive rural finance and climate-smart agriculture;
  - *earning the trust and cooperation of governments and smallholder farmers* through long years of association and sustained support and by providing support to farmers' organizations and helping them convene the biennial Farmers' Forum, and supporting the Indigenous People's Forum; and
  - *being a consistent advocate* in global, regional and national forums for smallholder farming, rural poverty reduction and, more recently, climate-smart agriculture.
21. In its nearly four decades of existence, IFAD has thus evolved into an effective and recognized player in the global effort to innovate and develop smallholder agriculture, reduce rural poverty and enhance food security. IFAD's innovative approaches have often been scaled up by governments and other development partners. IFAD's mandate and work will continue to remain relevant in the post-2015 era given the extent of global rural poverty today, the persistence of hunger on a global scale, the imperative of increasing food production to meet growing demand, and the new risks and challenges that smallholder farmers face from environmental pressures, climate change, and increased competition for land and water resources. IFAD therefore expects to play a central role in the post-2015 global efforts to realize inclusive and sustainable development.

## **IV. A Strategic Vision for IFAD, 2016–2025: Enabling inclusive and sustainable rural transformation**

### **The emerging global vision of the post-2015 world**

22. Building on the recent rapid economic growth of developing countries and the progress that many have made towards achieving the Millennium Development Goals, the international community is in the process of setting ambitious development goals for the post-2015 period. These efforts are underpinned by a vision of a world where extreme poverty is eradicated, the fruits of economic growth are more equitably distributed, the world manages its natural resources in a sustainable manner, and it adapts effectively to climate change.
23. IFAD's long-term vision for smallholder agriculture and rural development share these values and goals and inform the 2016-2025 Strategic Vision for IFAD that is proposed below. The Strategic Vision encompasses IFAD's position in the global development architecture, the role it envisages for itself in the global effort to realize the post-2015 development agenda, the priority areas for its operations, and the organizational changes it plans to bring about.

### **IFAD's vision of the post-2015 world**

24. IFAD's vision of the post-2015 rural world is one in which extreme rural poverty is eliminated through inclusive and sustainable agriculture and rural development and where poor rural people and communities, including those who live in remote areas, are empowered to build prosperous and sustainable livelihoods. It is a vision in which rural families, and in particular children, no longer go hungry and are

assured of their food and nutrition security. It is a vision where every family lives in dignity and young people can hope to realize their aspirations for a better life in their own rural communities.

## **A Strategic Vision for IFAD, 2016-2025**

25. **Strategic positioning.** In the global effort to realize this vision through inclusive and sustainable smallholder agriculture development and rural transformation, IFAD sees itself as playing both a leadership and a catalytic role. As the premier UN agency and IFI that has built a clear comparative advantage in these areas, it is the partner of choice for governments and institutions that share its ambitions to eradicate extreme rural poverty, improve food and nutrition security, and enable the rural poor to build prosperous and sustainable livelihoods.
26. **Leadership through partnerships.** IFAD recognizes that given the magnitude and scope of the agenda and the investments required for smallholder agriculture development and rural transformation, it can only lead by forging partnerships with governments, rural communities and farmers' organizations, the RBAs, and other development partners. Through such partnerships, it leverages its own financial resources, expertise, and knowledge and engages with governments and other national stakeholders to create a favourable policy environment for smallholder agriculture development and scaled-up impact.
27. IFAD gives strategic priority to **RBA collaboration** by recognizing the unique strength of FAO in technical and global policy issues for food and agriculture, the unmatched capabilities of WFP in providing timely support to countries during acute humanitarian disasters, and its own comparative advantage in providing long-term financial investment for smallholder agriculture and rural transformation.
28. **Mobilizing investment for smallholder agriculture.** IFAD recognizes that increased investment in smallholder agriculture and in poor rural people and communities is critical to reducing rural poverty, enhancing national and global food security, and eliminating hunger. Accordingly, IFAD continues to mobilize resources from its members and uses such resources to leverage and catalyse additional resources from both traditional and non-traditional sources, and from both the public and private sector. Through its actions, IFAD is the recognized global leader in investment in smallholder agriculture.
29. **Institutional effectiveness and efficiency.** IFAD continues to enhance its effectiveness and efficiency by consolidating its reforms of the last 10 years in its business model, country presence and decentralization, organizational structure, and HR and business processes. It ensures that its organization continues to be fit-for-purpose. IFAD continuously develops its results measurement framework and strengthens its impact evaluation work to ensure that it remains focused on results and impact.
30. **Innovative finance.** IFAD recognizes that resources mobilized through traditional methods will be insufficient to allow it to deliver on its vision for smallholder agriculture and rural transformation. During IFAD10, it continues to develop innovative financing mechanisms and instruments and to significantly increase leveraged resources and realize its differentiated approach to country contexts. It examines its governance modalities and proposes changes to ensure that it has the financial base and governance structure to support the role it envisages for itself in the global effort to realize inclusive smallholder agricultural development and rural transformation.
31. **Operational priority areas.** IFAD continues to develop and innovate in its areas of expertise and comparative advantage. It responds to the key drivers of change that affect smallholder agriculture and rural transformation and adjusts its operational priority areas accordingly. It recognizes the comparative advantage of others, leaving areas such as macroeconomic policy and governance and large-scale rural infrastructure to its partners.

32. In the **IFAD10 period**, IFAD consolidates and advances the work begun under IFAD9 by paying particular attention to:
- mainstreaming gender equality and women’s empowerment;
  - mainstreaming, in all its operations, climate-smart agriculture and the sustainable management of natural resources;
  - promoting nutrition-sensitive agriculture;
  - laying the foundations for stronger partnerships with the private sector, particularly through public-private production partnerships (PPPPs) and inclusive financial services;
  - promoting the social and economic empowerment of poor rural people by strengthening the institutions of the poor; and
  - strengthening the resilience of poor rural people by promoting sustainable agricultural intensification and enhancing their capacity to manage risks.
33. **Scaling up.** Viewing scaling up as mission-critical, IFAD builds on the recent changes it has introduced in its operations to mainstream scaling up in all phases of its operations. It gives greater emphasis to the sustainability of its programmes and projects because scaling up is predicated on sustainability. It encourages and shares the results of continued innovation and learning from successes and failures, including through South-South cooperation. And IFAD deepens its programmes for capacity building and policy dialogue to create the enabling environment for impact at scale.
34. **Differentiated approach to country contexts.** IFAD continues to diversify its knowledge and expertise to work in various country contexts: fragile states, low-income countries and middle-income countries. It adopts a differentiated approach, paying particular attention to fragile states that not only need development finance but also robust capacity development programmes. In middle-income countries (MICs), IFAD explores approaches that place more emphasis on knowledge-sharing and non-lending instruments.
35. **Knowledge Management.** IFAD develops its knowledge generation and sharing capacity, particularly in the area of impact evaluation studies, to improve the design and effectiveness of its operations and to stimulate innovation. IFAD encourages knowledge sharing with members, with a particular focus on South-South and triangular cooperation.
36. **South-South and triangular cooperation.** IFAD continues to develop and support South-South and triangular cooperation by promoting learning opportunities for officials and project staff and by collecting and disseminating innovative approaches and best practices.

## V. Conclusions

37. Despite the economic progress that many developing countries have made in recent years, rural poverty persists and hunger and malnutrition remain widespread in many rural communities. In a number of countries, economic growth has not led to improved economic well-being for most smallholder farmers, but has often led instead to their further marginalization. Looking towards the future, the changing context for smallholder agriculture and rural development is likely to include clear risks, such as climate change, as well as new opportunities, such as increased demand for food.
38. The international community is in the midst of discussions to set the post-2015 development goals. Recent global consultations indicate an emerging consensus that include the eradication of extreme poverty, the equitable sharing of benefits from economic growth, the creation of decent job opportunities for all, the sustainable management of natural resources, and effective adaptation to climate

change. IFAD believes that smallholder agriculture development and rural transformation will need to be an integral part of such a post-2015 global development agenda.

39. IFAD's vision of the post-2015 rural world is one in which extreme rural poverty is eliminated through inclusive and sustainable agriculture and rural development, and in which poor rural people and communities, including those who live in remote areas, are empowered to build prosperous and sustainable livelihoods.
40. In the global effort to realize this vision, IFAD sees itself as playing both a leadership and a catalytic role by: forging effective partnerships with all stakeholders, and significantly leveraging its own resources strengthening its position as a global leader in investment in smallholder agriculture. In addition, IFAD continues to develop and innovate in its areas of expertise and comparative advantage; mainstreams scaling up in all phases of its operations; diversifies its knowledge and expertise to work in different country contexts; and develops its knowledge generation and sharing capacity, with a particular focus on impact evaluation studies and South-South and triangular cooperation. Further, IFAD continues to enhance its effectiveness and efficiency by consolidating advances made to date, improving its management, organization and its business processes, and by ensuring that it remains focused on results and impact.