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Billions needed to eradicate poverty and hunger – IFAD conference looks for new ways of financing

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Rome, 26 January 2017 – The world needs to take urgent action to mobilise the estimated US\$265 billion a year needed to achieve the first two Sustainable Development Goals to end poverty and hunger by 2030, said Kanayo F. Nwanze, President of the International Fund for Agricultural Development (IFAD) at last night's opening of a conference focused on finding innovative ways to finance rural development.

"We must be more creative in how we use public resources and how we mobilise financing," said Nwanze at the event held at the Italian Ministry of Economy and Finance. He added that we need to make it easier for the private sector and philanthropists to invest in rural areas - the places where rates of poverty and hunger are highest.

"While the state should not intervene directly in rural finance, it should create an enabling environment," he said. He added that this is a theme that Italy intends to push forward during its G7 presidency this year.

Speakers agreed it cannot be left up to governments alone. In 2015, Official Development Assistance (ODA) was approximately \$192 billion and only \$9 billion of that was earmarked for agriculture.

The conference comes at a critical time with political changes and humanitarian crises - such as war, migration and natural disasters - reshaping global priorities and potentially diverting money away from development.

"The need is urgent," said Nwanze. "Despite decades of commitments and

considerable effort to end poverty and hunger, nearly 800 million children, women and men still go hungry every day, and an almost equal number live in extreme poverty.”

The majority of these poor and hungry people live in rural areas of developing countries. Investments need to be targeted to transform rural areas into vibrant places that offer all people the opportunity to have decent jobs and lead dignified lives free of poverty and hunger.

Nwanze stressed that the financing needs for development are enormous, but so are the opportunities. “Agri-food is already a \$5 trillion sector, and it is growing,” he said. “It holds tremendous promise for the private sector and for producers in developing countries.”

Keynote speaker, Nobel Laureate Professor Eric Maskin, the Adams Professor at Harvard University, said that recent globalisation has led to increased inequality. “It is up to us to make sure globalisation works for everybody,” he concluded.

Over the next two days, the conference “Investing in inclusive rural transformation: innovative approaches to financing” brings together development agencies, governments, philanthropic organisations, the private sector, academia and farmers’ organisations to look at innovative ways to mobilise money and smarter ways to spend it. There will be a focus on sharing knowledge and coordinating action.

The conference is co-organised by IFAD, the Italian Ministry of Economy and Finance, the Brookings Institution and the University of Warwick and will continue from 26-27 January at IFAD Headquarters in Rome. The conference can be followed live on <https://www.ifad.org/ruraltransformation>