

2018 ECOSOC Integration Segment – Innovative Communities: leveraging technology and innovation to build sustainable and resilient societies

IFAD's Contribution

Rural people are disproportionately represented among the number of poor and hungry. At the same time, they can act as drivers of rural transformation and are therefore vital to building resilient and sustainable communities, economies and societies. Many of the challenges facing rural communities are among the root causes of fragile situations – climate change, weak institutions, conflicts over land and natural resources, social tension and inequality, scarcity of opportunities for youth, and a lack of availability of basic services. Smallholder farmers, despite producing a significant share of the world's food, are among the most vulnerable to these challenges. They experience food insecurity, undernourishment and poverty. Building a sustainable agriculture sector is key to improving resilience in vulnerable rural areas of developing countries and to achieving the Sustainable Development Goals, with no one left behind.

Innovative instruments for developing and disseminating technology, including information and communications technology (ICT), index-based insurance and 'smart' subsidies, may offer new prospects for creating the right environment for smallholders to build resilience in rural communities. These innovations, and accompanying development strategies, must be selected according to the specific context, which may change over time, and they must be available to smallholders to adopt and adapt on a large scale in order to boost rural productivity to sufficient levels to meet the SDGs. Productivity growth requires reliable outlets for generated surpluses, and institutions, policies, and investments that strengthen capacities for productivity enhancement along the value chain.

Leveraging technological innovations can contribute to rural transformation and improve rural resilience. This requires: strengthening entrepreneurial skills and capacity; promoting decent and commensurate jobs, particularly for women and youth; increasing access to business advisory services and financial services; and promoting youth participation in decision-making processes. Indeed, it is the energy, dynamism and appetite for new technologies of the younger generations that is perhaps most vital to transforming agriculture and food systems. Access to new technologies, including for alternative and renewable energies and the transmission of ICTs for development (as well as access to markets, land, skills and training) will empower youth to drive solutions to poverty eradication and promote long-term prosperity in rural areas.

IFAD responds to these challenges and opportunities by funding integrated responses to build resilience in rural communities and partners with the UN system to develop safeguards that ensure the equitable implementation of new technologies.

Financial Innovation and Resource Mobilisation

The risks associated with investing in agriculture remain prohibitive for many national and international private actors. Uncertainties associated with seasonality, climate, vulnerability to economic and natural shocks, as well as guaranteeing required quality and quantity of produce, in many cases constrain the potential engagement of private actors in the sector.

Since 2012, IFAD has been blending climate finance with regular investments under its [Adaptation for Smallholder Agriculture Programme](#) (ASAP) to support the adaptation of poor smallholder farmers to

climate change by incorporating resilience-building activities into projects that aim to improve food security and economic outcomes in rural communities. ASAP has delivered improved early warning systems for drought and flood prone areas, submersible roads that will not wash away after a few years, and community infrastructure to protect coastal areas from the brunt of monsoon storms. ASAP is also investing in upgrading building codes of rural infrastructures to make them more resilient and bring climate adaptation to policy dialogues.

Another example of blended finance supporting development through collaborative partnerships is IFAD's Smallholder Agri-food SME Finance and Investment Network (SAFIN), which brings together private, public and philanthropic sectors and rural farmers and enterprises to resolve rural financing challenges with coordinated action and investment. In addition, IFAD's Smallholder and SME Investment Finance (SIF) fund aims to drive inclusive smallholder and rural SME finance, as well as youth employment, complemented by the Technical Assistance Facility (TAF) to provide pre- and post-investment technical assistance to SIF investees and incubate young entrepreneurs, and support the SIF in monitoring and evaluation to enhance impact.

Continuous investment in building the technical, economic and governance capacities of farmers' organizations is crucial in creating the necessary private sector investments, and demand for such investment, in rural remote areas. IFAD is highly active in the provision of rural finance through a variety of rural finance institutions working on rural savings, credit, equity financing, value chain financing, remittance transfer and remittance-based investment products, and insurance. For example, IFAD and World Food Programme (WFP) have developed the Weather Risk Management Facility, a joint initiative to support the development of weather risk management instruments in developing countries, notably through weather index-based insurance, an insurance product correlated to weather patterns for local crops. With a broader approach, the Platform for Agricultural Risk Management is a multi-donor initiative hosted by IFAD aiming to promote risk management capacity for the agriculture sector in developing countries, with a holistic perspective to risk assessment, capacity-building and product development.

Innovation and Partnerships

Technological innovation is shaping a new global future and the UN can play an important role in ensuring that the application of new technologies is equitable and inclusive. For IFAD this means actively involving rural people's organizations in relevant dialogues to ensure that innovative technologies reach rural communities, and when they do, that these technologies do not contribute to economic, social and political exclusion among these among these groups, including smallholder farmers. It is crucial to identify the key innovations that can be locally adapted and that respond to the unique constraints faced by rural people, and to leverage partnerships to deliver these innovations to scale. Doing so will protect vulnerable groups against unintended consequences and leverage potential gains to ensure no-one is left behind in the context of SDG implementation.

As such, IFAD collaborates closely with the UN system to develop safeguards that support the equitable spread and shared benefits of technology. In the context of the High Level Committee on Programmes, which seeks to advance knowledge across the UN system of frontier issues and emerging challenges, IFAD cooperates with FAO and other partners to consider the impacts on rural communities of new technologies and urge the UN system to use its voice for the marginalised individuals and communities who may otherwise be left behind by the fourth industrial revolution.