

Policy engagement, research and knowledge for inclusive and sustainable rural transformation



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In September 2015, members of the United Nations will sign up to the Sustainable Development Goals (SDGs). These – together with their targets and indicators – will guide global and national efforts to achieve sustainable development for the next 15 years. Governments will then be expected to draw on the SDGs to define national implementation strategies and effective monitoring systems, and to align public expenditures and streamline government institutions to support such strategies. These will be complex and challenging processes for many countries, and support from the international community – not only in terms of finance, but also in designing and putting in place the appropriate policy frameworks – will be critical.

All this will take place in a context in which the role and value added of official development assistance (ODA) are changing. Flows of ODA from international development agencies comprise a relatively minor share of agricultural and rural investment compared with investment by farmers and other in-country actors, although they can still be a critical source of financing to many low-income countries, particularly least developed countries (LDCs). However for many more countries, including the growing number of those that have achieved middle-income status, ODA can serve not only to provide valuable investment financing to the agricultural and rural sector, but also to add value to the quality of public investment, catalyse private investment and strengthen national and regional policy frameworks in this domain.

Looking towards post-2015 implementation, international development institutions can best support Member States in realizing their SDG strategies if they are able to use in synergy ODA-funded projects, policy engagement and production and sound management of knowledge, ensuring a solid operational grounding for the policy advice and support they provide, and capitalizing on the immense potential for knowledge generation that often lies in operational experience.

PROJECTS, POLICY AND KNOWLEDGE IN IFAD'S WORK

For the International Fund for Agricultural Development (IFAD), the SDGs will provide the overarching policy context within which it will operate and prioritize its actions; its role, as a United Nations agency and an international financial institution (IFI), will be to support its member countries in achieving their targets relative to the SDGs.

Through its focus on inclusive and sustainable rural transformation, IFAD will support countries in achieving many of the SDGs, above all those related to poverty eradication (SDG1), and hunger, nutrition, and sustainable agriculture (SDG2), but also those related to gender equality and the empowerment of women and girls, sustainable natural resource management, and inclusive growth and decent jobs. Efforts to maximize its contribution to country-led national and global efforts to achieve these goals will guide IFAD's investments in smallholder agricultural development, and more broadly in inclusive and sustainable rural transformation. IFAD will provide loans and grants to support governments in their efforts in these areas. It will also assist them in analysing and tackling the evolving drivers of rural poverty, and in shaping their policies to respond to emerging challenges and opportunities for inclusive and sustainable rural transformation.

Today, an increasing number of IFAD's members are calling on it to assist them in responding to this broader development agenda, which is one that will become ever-more important for all international development agencies supporting national efforts towards the SDGs.

Fulfilling such expectations requires approaches that go beyond a primary focus on individual rural and agricultural development projects. The approaches needed are based on identifying and mobilizing relevant knowledge that can be used to support governments in developing enabling policy environments for smallholder agricultural development and rural transformation. Thus investment projects remain critical, but increasingly a key part of their role is to serve as vehicles for identifying policy issues and opportunities, bringing evidence to inform national policy processes, and strengthening the capacity of national stakeholders to discuss, design, implement and evaluate policies. This is part and parcel of what IFAD views as a systematic process of scaling up development results from public-funded (including ODA-funded) projects.¹

Policies and projects at the country level are also shaped by the global policy context – the SDGs themselves represent a vivid example of this. Conversely, projects and policy engagement at country level can help nurture better understanding of structural and rural transformation processes and of the concrete realities of rural people, which can and should inform global policy processes in order for these to also contribute to sustainable development in rural areas and for rural people. In IFAD's case, for instance, knowledge generated through research, monitoring and praxis allows for synergies among projects, country-level policy

Figure 1



¹ See IFAD's Post-2015 Implementation Brief 2.

engagement and global policy engagement. As many of the SDGs require breaking new ground in terms of knowledge that can inform good policy and investments, developing such synergies will necessarily become a key concern for all development actors.

PURSUING SYNERGIES BETWEEN PROJECTS AND POLICY ENGAGEMENT AT COUNTRY LEVEL

When well designed and implemented, agricultural and rural development projects can be of measurable value and have positive, direct impact on the livelihoods of large numbers of rural people. Yet investment projects may be of little value where the policy environment constrains the opportunities open to rural people. Moreover, however many projects are financed and implemented, alone they will not lead to the achievement of the ambitious agenda of the SDGs, which requires structural changes and ‘leaving no one behind’. The latter requires something more: an enabling environment – policies and institutions – such that all rural people have the opportunity to move out of poverty. What then is the purpose of projects?

Increasingly, IFAD conceives of investment projects as intimately linked to the national policy agendas of its member countries. Given rapidly changing conditions in the rural areas of many countries, projects can serve as: laboratories to enable governments to test new approaches for smallholder agricultural and rural development; opportunities to learn about what works and what does not, and why; and sources of evidence to shape better policies, strategies, programmes and institutions.² Projects can also allow governments to operationalize national policies in local situations. They can also directly support policy and institutional reform by: building the capacity of public agencies to respond to new challenges; supporting rural people’s organizations to engage effectively in policy processes; conducting policy analysis; or facilitating forums that enable interested stakeholders – including representatives of smallholder farmers, the private-sector and others – to review specific policies. For this to happen, projects need to be conceived and structured with clearly defined outcomes, budgeted activities and institutional responsibilities related to a policy change agenda.

Beyond individual projects, the definition of strategies guiding the engagement of one or more development agency in a given country is also a critical tool to define a policy engagement agenda. In IFAD’s experience, the definition of country programmes together with its Member States provides perhaps the main context in which projects and policy agendas can be taken forward in a synergistic manner. Dedicated grant financing can be used to support these agendas, and to support governments as well as other entities, including farmers’ organizations or policy research institutions. In addition, the actions of IFAD’s country programme managers – and, increasingly, its country offices – enable IFAD to support national stakeholders and facilitate national policy processes, and also to engage directly in policy dialogue with governments, other national stakeholders and other in-country development partners. The aim here is not to advocate for specific policy options, but rather to provide evidence and expertise to inform debates and highlight options for policy and institutional decisions in support of smallholder farmers and rural people.

FROM COUNTRY-LEVEL ENGAGEMENT TO GLOBAL POLICY ENGAGEMENT

While the global policy agenda often appears a long way from the problems faced by smallholder farmers, decisions made at the global level may have a substantial, if indirect, influence on the environment they confront. It is for this reason that a coordinated and coherent engagement at both country and global levels is necessary; and indeed this may become even more the case in the context of SDG implementation, as countries are increasingly encouraged to align their respective policies to contribute to a universal, shared agenda.

In recent years, IFAD has taken steps to make its global policy engagements more focused and better coordinated. Through a periodic corporate plan for global policy engagement, it sets priority areas of concern that enable it to put a broad agenda of inclusive and sustainable

² This is in large part IFAD’s scaling-up agenda.



rural transformation high among global development priorities, including – most recently – in the context of the definition of the post-2015 agenda and the new Financing for Development Framework. At the same time, IFAD seeks to bring its operational knowledge and its partnerships (notably those with organizations representing smallholder farmers and poor rural people) to bear upon its engagement in a range of global forums where issues are discussed that require policy solutions catering to the specific needs of rural people. These include forums related to food security and nutrition, climate change, responsible investment, resilience, gender equality, indigenous peoples, financial inclusion, and access to land. In all these areas, the

need for innovative, evidence-based policy agendas that meet the needs and concerns of poor rural women and men clearly emerges from projects and country-level policy engagement. In all these areas, moreover, more space needs to be created for poor rural people themselves to engage in global policy debates.

THE ROLE OF KNOWLEDGE IN INFORMING POLICIES AND PROJECTS

How an organization manages knowledge – how it gains its knowledge, analyses and synthesizes it, learns from it and applies it – shapes how effective it can be in promoting investment projects, country-level policy engagement, global policy debates, and achieving synergies among the three sets of activities. In IFAD's case, research on inclusive and sustainable rural transformation processes underpins a broad knowledge agenda, but a major source of knowledge is also represented by the operational experience gained over 30 years working in all developing regions. Implementation support and project supervision, monitoring and measurement of country programme and project performance, a robust Results and Impact Measurement System (RIMS), and an independent evaluation function all generate critical information about the concrete realities of rural people and their communities, and the relevance, efficiency and effectiveness of IFAD's operations. The knowledge embedded in the practice of staff is also a valuable source of knowledge available to all development institutions. In IFAD's case, using networks and partnerships to draw on experience and expertise from across the organization has proven to be an effective approach for tapping that knowledge.

CONCLUSION

The upcoming SDGs are expected to guide the global and national agendas to achieve sustainable development in the future. The SDGs will bring new policy and knowledge challenges, related both to the problems to be addressed (e.g. climate change, managing growing rural-urban interdependencies, balancing the need for increased food production with the need to preserve natural resources, and so forth) and to how implementation will be pursued (e.g. related to how to develop partnerships, or to align different types of investment and financing flows). IFAD's experience shows that development institutions supporting Member States in meeting these challenges will need to work in synergy at different levels, spanning investment projects and policy engagement, supported by a solid, multi-source knowledge agenda.



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