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The role of agriculture and rural development in achieving SDG 1.1

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to Implement the 2030 Agenda for Sustainable Development”*

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Presentation Outline

1. Understanding the challenge of ending extreme poverty
2. Most of the extreme poor live in rural areas
3. Who are (rural) extreme poor and what constraints do they face?
4. Extreme poverty and hunger
5. Agriculture and food systems are key to achieving SDGs 1 and 2
6. Strategies for country efforts for reducing (rural) extreme poverty



1. Understanding the challenge of ending extreme poverty

- Global **headcount** of extreme poverty **has declined** from about 42% in 1980 to 10% in 2016.
- The **numbers** of extreme poor globally have **also declined** within the same period, from 1.9 billion to 736 million.
- However, a **slowdown in global growth** is underway and expected to continue, which will slow down and even reverse **progress**, particularly for **rural areas** in the poorest countries.
- As poverty rates have decreased over time, **reducing inequality** will have a **greater impact** on poverty reduction than economic growth.
- Given these trends, the ambitious goal of eradicating extreme poverty for all people everywhere will not be fulfilled if **explicit actions to reach the extreme poor** are not taken.



2. Most of the extreme poor live in rural areas

- Most of the extreme poor – about 80 percent – live in rural areas.
- Rural extreme poor live across diverse landscapes.
Their livelihoods, the challenges they face and the potential pathways out of poverty are conditioned by territories in which they live, including agro-ecological systems, productivity of natural resources, linkages to urban areas and population density.
- Majority are smallholder family farmers, but also landless, wage workers, forest dependent, pastoralists and fisher folk
- About 40 percent of rural extreme poor live in forests and savannahs.
Greatest number, 159 million, live in Sub-Saharan Africa.
In relative terms, most of rural extreme poor in Latin America live in forested areas.
- Two thirds of land used for agriculture globally is grassland, home to 200 million to 500 million pastoralists, large majority of whom live in Sub Saharan Africa.
About 85 percent of pastoralists and 75 percent of agro-pastoralists live below poverty line.
- Conflict and climate change constitute key challenges to eradication of rural poverty.
About 59 percent of extreme poor live in vulnerable and fragile contexts due.
Climate change related events, such as drought and flooding, disproportionately affect rural communities living in extreme poverty who have low adaptive capacity to cope with impacts.



3. Who are the (rural) extreme poor and what constraints do they face?

- Almost half of extreme poor, about 45 percent, are **children** younger than 15 years old. Those living in extreme poverty tend to have less education; children in rural areas less likely to go to school.
- Over three quarters of the **economically active** extreme rural poor engage in agriculture as a primary activity. Extreme poverty is particularly prevalent among **agricultural wage workers**.
Poor small-scale producers face multiple **structural constraints**, market failures and higher exposure to risks that **prevent** their agricultural livelihoods from being **more productive**, including lack of rights over natural resources, inputs, technical assistance, access to credit and insurance.
- The **seasonality** of agricultural livelihoods affects household consumption and increases risks.
- Despite dependence on agriculture, many (if not most) of extreme poor have **diversified livelihoods**, often engaging in activities outside agriculture, which may require seasonal migration.
- Rural extreme poor lack **access to instruments** to cope with and manage risks. Only 19 percent of the extreme poor in low-income countries have access to any type of **social protection**.
- Extreme poverty is characterized by social marginalization and exclusion. Social, cultural and psychological structures, including weak institutions, discrimination based on gender and ethnicity, and lack of self-esteem are often significant barriers preventing the extreme poor from moving out of poverty.
- Large inequalities between women and men, particularly in terms of asset ownership and land rights. Women face discriminatory gender norms and customs, compounded by women's limited voice and agency, and factors such as gender-based violence and forced marriage.



4. Extreme poverty and hunger

- Extreme poverty, **hunger & undernourishment** often go hand in hand.
- Extreme poverty influences hunger & nutritional status, affecting the ability of individuals and households to **access food** through purchase or production, while hunger & malnutrition reduce current **productivity** and in the future, and keep people focused on **survival**.
 - First 1 000 days - affects children's future through learning difficulties, poor health, lower productivity
 - Reduces labour productivity in short and long term
- Almost all studies looking at food consumption by wealth status, find that poorer **rural** households **spend** a relatively **higher proportion** of their income on food - compared to others.

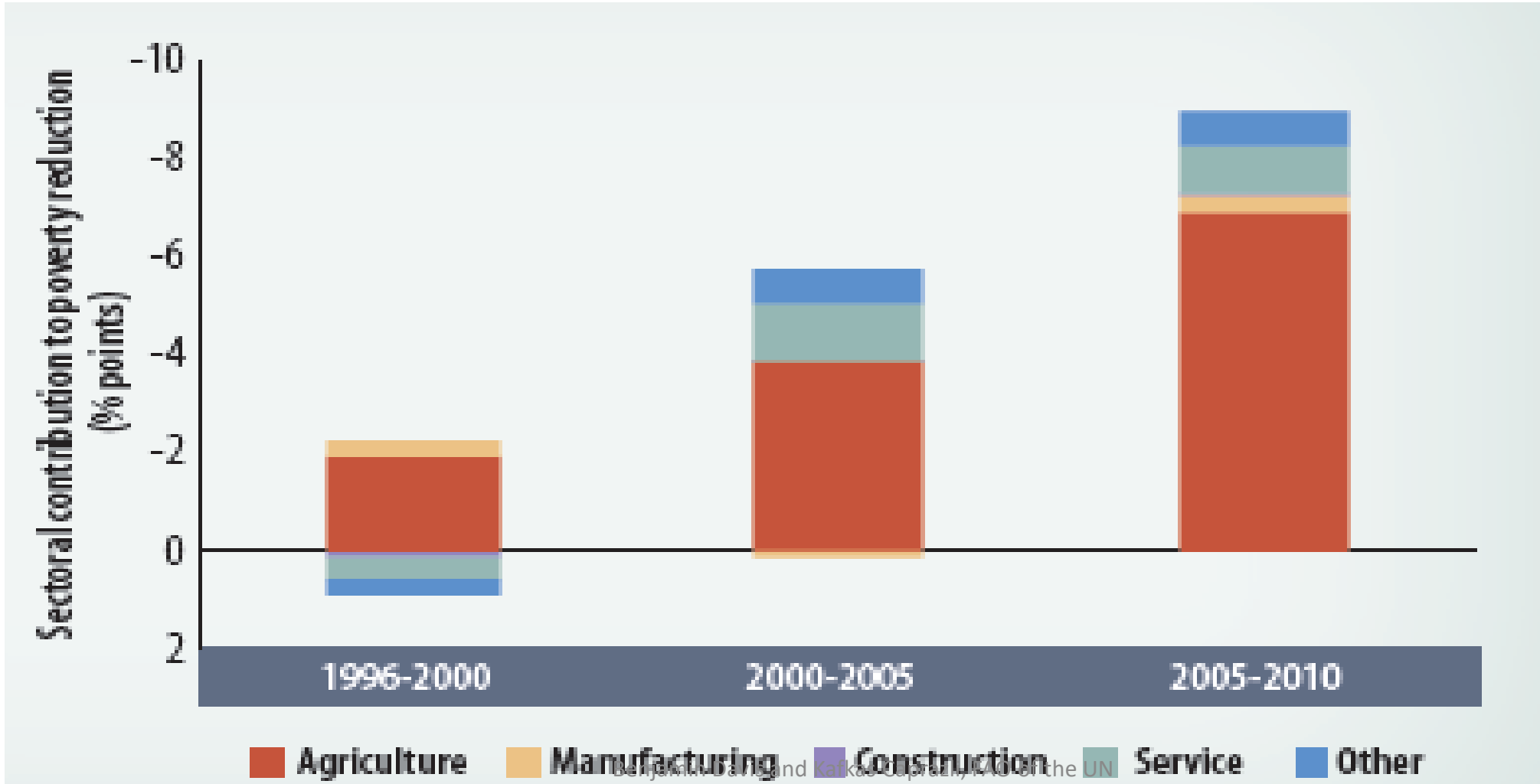


5. Agriculture and food systems are key to achieving SDG 1 and SDG 2 (N)

- Numerous cross country studies and country experiences highlight larger impact of **agricultural growth** on poverty reduction - particularly for the poorest and most hungry.
 - Larger for staple foods than for export crops
 - Example: agriculture accounted for bulk of poverty reduction in Ethiopia over past 15 years
 - Example: China and the household responsibility system, spark for China's success in economic development and poverty reduction
- Agriculture also serves as an important safety net for food security



5. Agriculture and food systems are key to achieving SDG 1 and SDG 2 (N)





6. What have we learned in terms of reducing (rural) extreme poverty? (N)

- Political commitment
 - clear **policy direction** and adequate **means** of implementation
 - **incentives** for multi-sectoral coordination
- Stimulating broad-based, pro-poor economic growth and **income generation opportunities** – increasing returns to assets held by the poor
- **Minimum set of investments** (in rural areas): infrastructure, basic services, education, health ...

but reaching all of the extreme poor requires specific approaches

- **Social assistance** – cash transfers and other instruments
- **Livelihoods interventions**, microfinance, skills building, nutrition interventions



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Thank you!

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