

Preparatory Committee III for the United Nations Conference on housing and sustainable urban development (Habitat III)

Statement by IFAD: Mr. David Suttie, Global Engagement, Knowledge and Strategy Division, International Fund for Agricultural Development

Chair, Excellences, Ladies and Gentlemen,

The International Fund for Agricultural Development (IFAD) is pleased to continue to contribute to preparations for Habitat III as we have done since 2014. IFAD's core business is investing in rural women and men – who represent at least 70 per cent of the poor globally – to promote inclusive rural transformation. We welcome the aspiration for an urban agenda that is universal in scope – an important goal that can only be achieved through the integration of rural and urban development, in particular through promoting participation and opportunities for urban and rural people alike.

IFAD is particularly interested in urbanization as a global megatrend. We recognize that the evolution of urbanization will profoundly impact the rural women and men whom we serve.

We also emphasize that rural transformation is key for sustainable and inclusive urbanization. We note the multiple development benefits associated with an urbanization process that is underpinned by rural transformation and inclusive urban-rural linkages. For example:

1. food systems that serve the nutritional needs of local consumers and producers in urban and rural areas;
2. farm to non-farm growth multipliers that create jobs (especially for young people) in both urban and rural areas;
3. More balanced and manageable migration flows if rural people are not compelled to migrate to cities as a result of lack of opportunities in their rural homes.

We therefore call for a New Urban Agenda that is underpinned by recognition of the interdependencies and synergies between rural and urban development.

Throughout the world today, we are seeing that the growth of urban populations is expanding the demand for agricultural products, particularly high-value and processed foods and other agricultural goods. This can offer new income opportunities for farmers – notably for smallholder farmers, who produce the majority of the food consumed in many regions, but are disproportionately represented among the world's poor and undernourished.

We are therefore particularly interested in the opportunities the development of a New Urban Agenda can have on building inclusive food systems. Key to this will be prioritizing the establishment of mutually beneficial urban-rural linkages which open up new market opportunities for smallholder farmers. To achieve this, we need a New Urban Agenda that envisages space for the voices of rural as well as urban people, and recognizes the benefits associated with promoting smallholder agriculture to ensure food security, nutrition and inclusive development in cities and human settlements.

However, these opportunities do not materialize automatically. There is need for policies and institutions accompanying urbanization that involve rural people – especially smallholder farmers – on a par with urban populations, to ensure that access to opportunities linked to growing urban markets and food supply chains is truly inclusive. This is why in recent years we have underlined the need to promote AND leverage rural-urban linkages for wider development on many occasions, including previous PrepCom meetings.

A holistic, systems-wide approach recognizing the key roles of urban and rural stakeholders in economic-wide structural transformation is in the interests of both urban and rural people. Evidence shows that urban centres *can be sustainable – socially, economically, and environmentally - only if they are surrounded by thriving and inclusive rural economies and sustainable rural ecosystems*. This includes a climate-resilient, productive and remunerative agriculture sector.

In conclusion, let me emphasize that, to realize the 2030 Agenda for sustainable development, we need to establish the conditions – in policies, institutions, governance patterns, and investments – for inclusive and sustainable rural-urban linkages. These linkages are intrinsic in the growing interdependencies between rural and urban development, but they are not automatically inclusive, nor sustainable. The challenge of the 2030 Agenda is precisely that – to harness social and economic processes such as urbanization and rural transformation to align them with sustainable development objectives. This is a challenge of empowering all stakeholders – rural and urban, food consumers and smallholder food producers, women and men, and, very importantly, youth, to help shape urbanization and rural transformation as two inter-related aspects of a sustainable and inclusive future for our societies and our planet.

This is the only way we can leave no-one behind.