



21 March 2013

Inclusive Finance: Challenges and Opportunities
Interactive panel organized by FAO, IFAD, and WFP on the
occasion of the [visit of HRH Princess Maxima of The](#)
[Netherlands](#), UNSG Special Advisor on Inclusive Finance

Thank you Kanayo Nwanze, President of IFAD, for the invitation to be here today.

Ertharin Cousin, Executive Director of the WFP,

Your Royal Highness Princess Maxima of the Netherlands,

Distinguished guests,

Ladies and gentlemen,

Even in rural areas, food security cannot be guaranteed without strengthening livelihoods more broadly.

Rural families are increasingly multidimensional. They not only produce food, but engage in other activities.

To do so, they need access to markets, need resources, technologies and need decent jobs.

In this context, access to finance is essential.

There are many approaches to increase access to finance and investment.



We network with banks, cooperatives and micro-finance institutions so that their financial products and services can reach people that are usually left out: especially smallholder farmers, women and youth.

FAO realizes that finance must be combined with other initiatives: training, organization and institutional development, market linkages, access to new technologies, and even ... social protection.

Let me come back to social protection in a minute.

Examples of our existing, complementary support activities include:

Skills training through farmer field schools for farmers and youth

Business training for micro, small and medium agro-entrepreneurs

Value chain development, including the development of inclusive business models

Encouraging responsible investment that fills the gaps to make value chains more competitive; safeguards the rights of the poor; and is sustainable.

Finance and investment for development need to come from many sources, including the private sector.

We can help guide those resources to where it is needed to have the most impact. We are working on this with IFAD and UNIDO on the African Agribusiness and Agro-Industry initiative and with the CAADP process and country investment plans.

Responsibility is a key word when talking of investment, especially from the private sector.

The Voluntary Guidelines on Governance of Tenure, endorsed by the Committee on World Food Security in 2012, and the Principles for Responsible Agricultural Investments that are starting to be discussed, help assure this.

Let me now turn to social protection. It plays a key role for food security and can boost rural development.

Cash transfer programs, for instance, help overcome income and food insecurity, empower rural women, and can also provide stimulus to smallholders.



They give beneficiaries the possibility to choose where to use the money according to their most pressing needs. By the way, experience confirms that these choices are better made when decided by women.

Studies from Sub-Saharan Africa also show how cash transfers can help even the poorest of the poor to improve their nutrition, pay off debts and make small investments that can have a big impact in their lives.

Social protection and access to financial services can also go hand in hand to achieve greater results.

In many cases it can help poor families take the first steps towards inclusion and allow them to benefit from financial services such as insurance, credit, subsidies for capacity development and many others.

In short, financial inclusion for rural people is not a simple set of products or approaches. It is a dynamic, longer term and multi-faceted process.

A process that can and should be combined with other actions such as social protection to form comprehensive and consistent rural and agricultural development strategies. Thank you.