



©FAO/Jean Charles Heyd

Investment in brief

Investment is a critical engine for FAO to multiply its impact and achieve scale. The work of FAO's Investment Centre contributes to increasing agricultural production and productivity, reducing poverty, hunger and malnutrition, managing natural resources sustainably and building the resilience of rural communities to withstand disasters and shocks – results that cut across FAO's strategic objectives and further FAO's mission to ensure people have access to enough safe and nutritious food to lead healthy, active lives.

Why it matters

Investing in agriculture, food security and nutrition is one of the most effective ways to stimulate economic growth, improve livelihoods and raise incomes in rural areas, where most of the world's poor live. Countries that have consistently invested in their agriculture sector over the last decades have also had the most success in boosting food production and productivity and reducing hunger and malnutrition.

Since 1964, the Investment Centre has led FAO's efforts to help member countries increase investments in agriculture and rural development. To date, this amounts to over USD 119 billion for more than 2,000 projects across 170 countries.

Such investments are more important than ever. With a world population expected to reach nine billion by 2050, the challenge is to sustainably increase food production by 60 percent over the same period, while maintaining the natural resource base for future generations amid a changing climate. Other challenges include food price volatility, rapid urbanization and increased demand for food of higher quality and variety among many middle-income countries.



©FAO/Asim Hafeez

FAO and the Global Environment Facility (GEF)

FAO is an implementing agency of the Global Environment Facility (GEF), an international co-financing mechanism that provides grants to countries to invest in global environmental projects addressing the critical nexus between agriculture and the environment, including climate change, biodiversity, land degradation, international waters and chemicals. The Investment Centre is home to the GEF Coordination Unit, which manages the FAO-GEF portfolio. The portfolio has rapidly grown since 2006, with now over 100 projects and a total GEF grant investment value approaching USD 450 million.

How we do this

With around 95 dedicated agricultural investment specialists throughout our offices, we carry out roughly 800 support missions annually. FAO investment support covers a wide range of technical specializations in areas such as land, water, irrigation, forestry, livestock, value chains and agro-industries, as well as territorial approaches, gender and nutrition mainstreaming and climate smart agriculture.

We bring innovation, knowledge and technical and policy expertise to bear on the investment process, providing support to countries in the design, implementation and evaluation of investment strategies, plans, programmes and projects.

Guided by the needs and development priorities of countries and regions, we also facilitate policy dialogue, undertake pre-investment research, such as sector analyses and value chain studies, and advise governments on how to make policies and legislation more conducive to public and private investment.





Our aim is to help countries invest more and better in the agriculture sector and food security nexus over the long term to improve agricultural productivity, develop value chains, enhance nutrition, improve rural livelihoods and safeguard the natural environment.

The bulk of our work is carried out through a three-way partnership with member countries and international financing institutions, such as the World Bank Group, the International Fund for Agricultural Development (IFAD) and the regional development banks. We act as an independent partner, helping countries, lending institutions and other financiers develop and fund effective investment programmes. We also work closely with other national and international organizations, the private sector and farmers, who are the main investors in agriculture, and their organizations.

We are able to draw from a wealth of FAO's technical knowledge and experience in agriculture – including livestock, forestry, fisheries – natural resources management and environment, commodities and trade, policy analysis, development law and statistics. We also rely on FAO's mandate and extensive decentralized network to catalyze action and foster partnerships.

“FAO's Investment Centre helps developing and transition countries design, implement and evaluate agricultural and rural development investment programmes and projects, including a large number of environmental and natural resources management projects.”

Partnering to fight poverty and hunger

FAO's first cooperative agreement for investment support was signed with the World Bank in 1964. This long-lasting partnership is still an essential part of our work, with around one-third of World Bank agricultural and rural development projects having received our support.

Since then, we have established cooperative agreements with over 25 financing institutions, working in particular with IFAD, the European Bank for Reconstruction and Development (EBRD) and the African Development Bank. We also have partnerships with non-financial partners like the Comprehensive Africa Agriculture Development Programme (CAADP) and the New Partnership for Africa's Development (NEPAD).

While working through governments and partnering with financial institutions, we work closely with producer organizations, farmers, herders and fishers, to make sure they are fully involved in the policy and investment decisions that will affect their lives and livelihoods.



©FAO/Jim Hancock

Strengthening investment capacities

For countries to achieve sustainable agricultural growth, solid agricultural investment planning, implementation and evaluation capacities are key. We help strengthen the individual and organizational capacities of government ministries and institutions, knowledge centres, service providers and producer organizations.

This is done by on-the-job investment training, peer learning through study tours, mentoring and formal training on topics such as investment planning and design, monitoring and evaluation, social analysis and gender mainstreaming. We also work closely with FAO technical divisions to develop learning materials and tools.

Adapting to a changing world

We seek to keep pace with a changing world, recognizing that new development challenges in agriculture and rural development often call for new alliances and innovative ways of working. This means adapting our investment services, strengthening our expertise in new areas and focusing on results that contribute significantly to improving food security and nutrition, incomes and environmental sustainability.

For more information

Contact:

investment-centre@fao.org

Publications and resources:

www.fao.org/support-to-investment