

## Rural development

### Sustainable agriculture as key

The international community has set itself high targets with the Sustainable Development Goals (SDGs). Overcome poverty and hunger (SDGs 1 & 2), protect natural resources and use them sustainably (15), responsible consumption and production (12), increase climate resilience and halt the advance of climate change (13) are just a few examples. The agriculture and food sector is directly linked to these six SDGs. Sustainable agriculture plays a key role in achieving these goals. On behalf of the German Federal Government and other international partners, KfW Development Bank promotes the development of sustainable agriculture. The bank establishes access to rural financial service providers and infrastructure, and supports farmers in their efforts to use resources like soil and water in a responsible manner. KfW thus improves conditions for agricultural production and processing while also fighting poverty and unstable food supplies, and preserving people's livelihoods over the long term.

hunger and malnutrition in the long term.

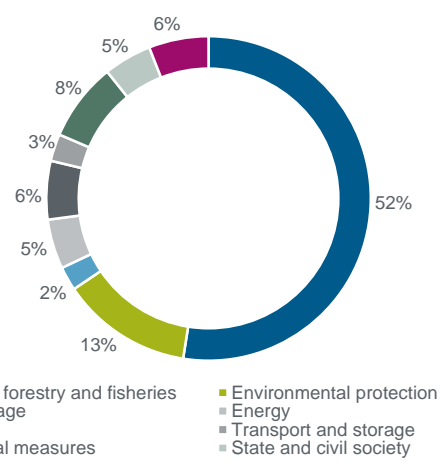
The foundation of agricultural development lies in increasing production. This ensures that, first of all, the farmers' own nutritional needs can be met. If they have access to markets, farmers can generate an income by selling their produce while at the same time improving the availability of food for the rest of the population. Access to markets and financial service providers are also a prerequisite for farmers' ability to purchase consumables.

To ensure that measures to boost production have a long-term effect, they must also be ecologically sustainable. Today, over one third of all farmland is severely degraded as a result of mismanagement and depletion. Climate change and extreme weather events only serve to degrade the soil even further. This means that humanity is gradually losing the very foundation of food production. Food shortages and hunger crises could become even more frequent.

Sustainable agriculture is essential as a means to protect the soil, water reservoirs and the biodiversity of our ecosystems – and to use them responsibly. In turn, agricultural systems and farming families must be made

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Commitments 2014-2018 in total: EUR 2,55 billion



### Context

Across the globe, around 650 million people live in extreme poverty. 821 million people suffer from hunger. More than 2 billion are affected by malnutrition and its consequences. Hunger and malnutrition are closely tied to poverty. If you are poor, you do not tend to have the necessary means to either produce or buy the food needed for a full and balanced diet.

The vast majority of people affected by poverty, hunger and malnutrition live in rural areas and are often the same people who make a living either completely or partially from agricultural work. This makes sustainable agricultural development the key to combating poverty,

more resilient to climate change and must also make their own contribution to bringing it to a halt. This is the only way to secure people's livelihoods over the long term and to overcome poverty and unstable food supply.

### The KfW development approach

Between 2014 and 2018, KfW Development Bank committed investments worth a total of EUR 2.55 billion in the development of rural areas. Of that total, EUR 1.34 billion went to agriculture, forestry and fishery projects.

The majority of measures contribute to achieving the Sustainable Development Goals in several respects. This is the case for investments in irrigation systems, for example. They boost production and yield security, increase food supplies and incomes, strengthen the exposure to valuable water resources and reduce susceptibility to climate fluctuations. Additional investments in roads, energy supply, markets and storage areas make it easier for producers and consumers to access markets and can also have a positive impact on food supply and prices. Loans for rural areas help farmers to invest in machinery and agricultural consumables like seeds.

In addition, KfW also promotes measures pertaining to environmental protection, water supply, health care and social protection. Even though sustainable agriculture may be the key, the holistic development of rural areas rests on several different pillars.



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Small dams and irrigation help farmers to ensure better harvests.  
Source: KfW Group, photographer: Robert Roth

### Mali – small dams for irrigation

In Mali, KfW is promoting the renovation and construction of agricultural irrigation systems, such as large-scale channel systems and small individual dams. This enables smallholders to cultivate their land without worrying about the increasingly irregular rain showers and achieve multiple harvests each year despite the changing climate. They benefit from higher yields in rice production (over five tonnes per hectare) and can then use the same fields for fruit and vegetable production once the rice has been harvested.

In addition to irrigation systems, simple laterite paths are also being built. These paths are often the first point of access to a village, making them important when it comes to buying and selling food and other products at markets. Thanks to this set of measures, thousands of farmers are able to work all year round, secure a daily food supply for their families, buy clothes and household products, and even make sure their children attend school regularly. The small dams also help to raise the water table and improve regional water supplies.

As a result, KfW is not only improving people's livelihoods from agriculture; it is also promoting sustainable rural development.