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INVESTING IN RURAL DEVELOPMENT AND SUSTAINABLE AGRICULTURE

In Latin America and the Caribbean (LAC), 20% of the total population lives in rural areas. The rural sector is important for development, as it supplies the countries of the region and the world with valuable resources and products. Most LAC countries are concerned about the state of their rural development, particularly the competitiveness of rural economic activities, poverty levels, migration, and environmental degradation.

There are positive and negative environmental effects of rural activities that are key to the sustainability of the region. Access to basic services and infrastructure is still limited for rural populations and the gap between rural and urban areas is extremely high, with the resulting migration further draining rural economies and creating new challenges for urban settlements. Moreover, those left behind in the rural communities are predominantly poorer families and the elderly.

Agriculture is facing important challenges: the effects of climate change (more frequent droughts, storms, and floods), environmental degradation, biodiversity reduction, rapid economic growth and rising populations are all increasing pressure on agriculture in LAC.

To achieve the goals of the **2030 Agenda**, structural transformations are needed to reduce the economic, social, and environmental impacts of these challenges, to reform, strengthen and modernise the rural economy and to overcome existing weaknesses.

Boosting agricultural production requires increased investment in farming systems and related value chain improvements in the processing industry. Sustainable farming in rural areas can minimise the environmental impact of food production and protect biodiversity but it must also support promising and sustainable income-generating activities that both benefit the farming community and increase national food security.

The European Union (EU) recognises the challenges and goals of a sustainable world-wide development policy in promoting prosperity, improving living conditions and raising incomes in rural regions. By stimulating investment and supporting innovation in this sector, the EU is fostering inclusive growth and improving the ability of our partner countries to feed their populations, while at the same time protecting their natural resources.

The European Green Deal and the Commission's long-term vision for rural areas are among the EU's strategies addressing rural development challenges. These include the transition towards agroecological production models, the development of a tangible bioeconomy, the sustainable use of natural resources, and the use of proper information and communication technology tools. Furthermore, the promotion of the effective and productive inclusion of women is a priority in all EU external actions. In addition to raising awareness, real action is needed to reduce gender differences in access to land, productive assets and markets.

The Latin America and Caribbean Investment Facilities (LAIF and CIF) invest in agricultural and non-agricultural activities in rural areas to promote rural employment, green production and infrastructure improvement. Both facilities promote innovation and investment in rural areas, as well as the sustainable use of the environment, improving production and contributing to the process of decoupling GHG (greenhouses gases) emissions. LAIF and CIF also

support coordinated territorial development policies that make use of and strengthen the abilities of rural workers, and that increase access to land and security of tenure to raise productivity in a sustainable way. LAIF and CIF also invest in the modernisation of irrigation systems, access to water and sanitation, roads connectivity, sustainable forest management and food production.

Main challenges and way forward



Invest in small-scale farms

to reduce the vulnerability of small-scale farmers, since it is this group that has been proven to bring the greatest returns in poverty reduction. Promote agricultural practices and technologies that raise rural income, while also being sustainable in terms of water, soils, ecosystems, and biodiversity.

Encourage sustainability and innovation.

Invest in research and development projects to find solutions that strike the right balance between developing productivity and not putting natural resources at risk, thereby strengthening agricultural innovation systems for long-term impact. Empowering women in rural development and agriculture.

Improve farmers' access to productive assets,

such as land, capital etc., particularly by encouraging local cooperation and partnerships between farmers. Leveraging more private investment in the agricultural sector.

Indicators



Number of projects:
18



Total number of beneficiaries:
9,768,269



Number of jobs created or supported:
19,661



Number of farmers or productive units with access to climate-smart innovative options promoted by the investments:
1,750



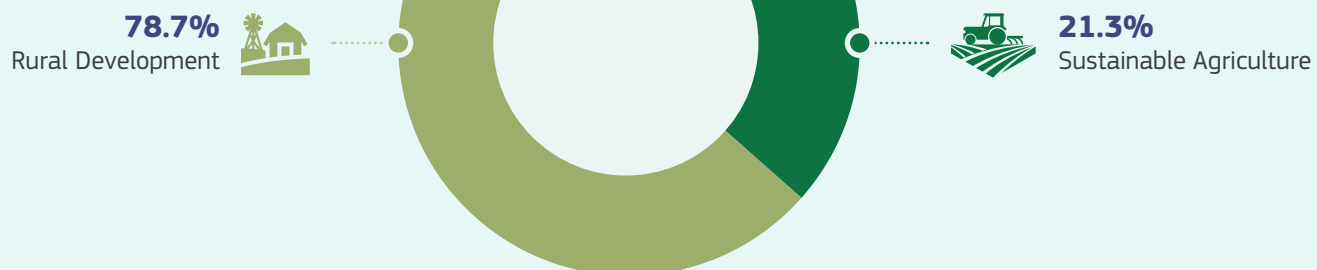
Agricultural, pastoral and forest ecosystems with sustainable land and water management practices (ha):
606,600



Greenhouse gas emissions reduction:
3,604 CO₂ kt equivalent/year

LAIF and CIF contribution per sector

Total contribution
from LAIF & CIF:
€ 126 454 773 



Bilateral and multi-country projects

<https://www.eulaif.eu/en/projects>

<https://www.eu-cif.eu/en/projects>

This fiche was prepared with the most recent information and data available from the banks under their contractual responsibility fully to inform LAIF promptly about the developments in the projects.

