

Quality government spending and results-based approaches are vital to improve poverty and food security outcomes

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Rural poverty and food security SDG targets will not be achieved in developing countries, despite billions of US dollars spent every year on agricultural and rural development. Within current budgets, shifting government spending from private to public goods would significantly contribute to alleviating poverty and increasing food security. Political interests interfere with this shift, but they can be counteracted through more independent research, training, accountability, and the adoption of the RBM approach in public policy.

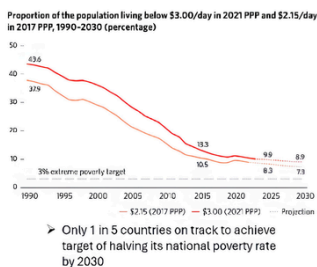
Developing countries are seriously off track to meet the SDG rural poverty and food security targets. In fact, in some countries, statistics are moving in the wrong direction. According to the latest SDG Report and FAO projections, by 2030 there will still be over 600 million people living in extreme poverty and over 500 million people chronically undernourished, far from the SDG targets of ending hunger and extreme poverty by 2030.

Progress towards SDG 1

Target:

By 2030:

- * No Extreme Poverty
- * Reduce at least by half the proportion of people living in poverty (2015 baseline)



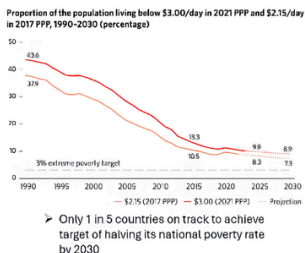
Source: SDG Report 2025

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Paradoxically, developing countries spend billions of dollars every year on agricultural and rural development: Official Development Assistance for agriculture, social and economic infrastructure reached US\$ 108 billion in 2024, and developing countries' public expenditure in agriculture was US\$118 billion in 2023, five times more than in the early 2000's.

Rural poverty alleviation and increased food security could be accelerated within current budgets, by shifting government spending from private goods (for example, input subsidies, direct transfers and market support programs) to public goods (such as research and development, extension services, rural and agricultural infrastructure, and plant and animal health systems, among others). Several empirical studies conducted by the World Bank, Inter-American Bank, and the International Food Policy Research Institute (IFPRI) confirm that this spending shift from private goods to public goods could make a significant difference in policy outcomes. However, the share of support to agriculture through public goods in emerging economies has shrunk from 43% in 2000-2002 to only 19% in 2022-2024.

Political interests interfere with improving the quality of government expenditure in the agri-food system, with consequences that can be catastrophic. For instance, over the past 7 years, the Mexican Plant and Animal Health Agency's budget was cut by almost 50%, jeopardizing the agency's ability to conduct proper epidemiological surveillance on live cattle imports. After 33 years of being eradicated, a new world screwworm outbreak occurred in November 2024. Mexican cattle exports to the USA were immediately banned, incurring economic losses estimated at US\$ 1.3 billion.



More independent research, publicly available data, and training of policy makers and the public, where universities and thinktanks play a key role, will contribute to counteracting political interests by providing additional evidence on the true impacts of government spending: who is benefiting? What is the policy impact on agricultural productivity, farmers' income, rural youth, rural women, and the environment? Empowering grassroots and local voices and demanding accountability and transparency will also contribute to more effective policy making. Truly adopting a Results-Based Management approach in agricultural and rural development policy is crucial to improve policy impacts. Results-based international financing, such as the Program for Results (PforR) lending instrument launched by the World Bank in 2012, is a rather promising instrument for developing countries to design the right policies that can effectively alleviate rural poverty and increase food security.

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