

**Issues Paper
for the
ECOSOC Panel Discussion
“Working together to promote integrated rural development in developing countries,
particularly the LDCs”
1 July 2004**

1. The majority of the world's poor people live in rural areas - 900 million out of a total of 1.2 billion extreme poor. Rural poverty has many faces - low income, landlessness, hunger, illiteracy, ill health - and is always caused by more than one factor. Among the more prominent and widespread characteristics of rural poverty are lack of attention by national and international actors, lack of power and influence of the rural poor in decision-making, lack of resources, assets and income, lack of social services and infrastructure and lack of political stability and peace. Women are disproportionately affected by rural poverty and regularly have to confront political, economic and social inequities. Yet rural women play an essential role in crop production and livestock care and their contributions to food security are critical for the survival of poor households.

2. Rural poverty reduction and rural development are of critical importance if the Millennium Development Goals are to be achieved in 2015. This fact has been recognized lately in a considerable number of documents and declarations and is acknowledged by development practitioners and policy makers alike. However, the challenge remains: without implementation of the relevant commitments made at the World Food Summit, the Monterrey Consensus, the Johannesburg Plan of Implementation, the Brussels Programme of Action and last but not least the 2003 ECOSOC Ministerial Declaration, reaching the 2015 goals might prove elusive. Cooperation among local, domestic, regional and international development actors is crucial in this regard.

- What measures need to be taken by governments to further streamline processes and procedures in support of rural development?
- How can the UN system and the donor community better utilize existing processes on the ground, i.e. CCA/UNDAF, PRSP, to further advance rural poverty reduction objectives?
- How do we maintain the momentum in support of rural development?

3. Considerable progress has been achieved as to improve coordination and collaboration among international development organizations on integrated rural development. The UN System Network on Rural Development and Food Security, the International Alliance against Hunger and the International Land Coalition are important tools for UN agency collaboration and for building partnerships with various other stakeholders. There are also increasing international efforts to harmonize operational policies, procedures and practices among the donor community, as agreed in the Rome Declaration on Harmonization by the Heads of multilateral and bilateral development institutions and partner countries (2003).

- How can the existing collaborative arrangements be strengthened?
- What steps should be taken to widen participation of UN agencies and other actors in the existing frameworks?
- What further efforts need to be made by development partners to enhance collaboration and to harmonize policies, procedures and practices in support of an integrated approach to rural development?

4. Poverty is especially rampant in the rural areas of Least Developed Countries (LDCs). In the second half of the 1990s, 52 percent of the population in the LDCs lived in extreme poverty. High population growth rates and severe environmental degradation contribute to the pervasiveness of poverty among LDCs as do dependency on primary commodities, decreasing market prices for commodities, and unsustainable debt burdens. Food insecurity remains a grave problem in LDCs with 235 million people undernourished in 1996-98 compared to 116 million in 1969-71. A twin-track approach towards food security is needed to ensure immediate and long-term access to food. Such an approach needs to combine policy reforms, direct assistance to the most vulnerable and hungry poor people, and investments in sustainable agriculture and rural development to increase food production and enhance food safety.

- How can the productive capacity of the rural and agricultural sector be further developed and strengthened in LDCs?
- What role do non-state actors have in contributing to poverty reduction and development in rural areas and how can the UN system support efforts initiated by grass root and civil society organizations?
- How can national governments with the support of the international community develop and implement effective safety nets and other direct assistance programs for the rural poor to increase their capacity to cope with shocks to their livelihood systems?

5. Agriculture remains the chief economic activity in rural areas, providing export earnings, employment and food. In most LDCs, over 60 % of the labor is employed in agriculture. Access to market and market linkages and reliable infrastructure are necessary to enable rural producers to increase their income to improve private consumption and enable savings. Access to financial services and appropriate technology as well as access to land and other natural resources, including water and forests, are likewise key components of rural development. However, landlessness is widespread among the poor. Diversification towards non-farm activities, i.e in food processing, crafts, and other income generating activities, is crucial as it offers employment opportunities in rural areas and can stem rural-urban migration. Many countries among the LDCs have an untapped potential to significantly increase agricultural production and non-farm activities to boost economic growth. Diversification of products, export expansion and improvements in market access for products from LDCs are critical in this regard.

- Investments in agricultural activities have decreased significantly over the past decades. How can that process be reversed in light of competing development priorities and limited availability of overall funds?
- What other resources could be attracted to invest in economic activities in remote rural areas?

6. Economic problems in rural areas are further compounded by a lack of social service provision. Rural people are greatly disadvantaged when it comes to the availability of social services, in particular education and health. The HIV/AIDS crisis has also devastating effects on rural areas where the majority of people suffering from HIV/AIDS live, especially in Africa. Yet, the number of schools, health clinics, and sanitation facilities per inhabitant in a specific area is significantly lower for people living in rural regions than for their urban counterparts. As a result, rural inhabitants tend to be less educated, less healthy and have lower life expectancy than urban dwellers.

- Social service provisions in rural areas require major investments, many of which are customarily provided by the public sector. What experiences have been made with co-financing arrangements and can those experiences be up-scaled?
- How can UN agencies with mandates in the area of social development be further motivated to integrate rural development into their policies and operational activities?