

**Ministerial Review of Progress in the Implementation of the 2003 ECOSOC
Ministerial Declaration on Promoting an Integrated Approach to Rural
Development in Developing Countries for Poverty Eradication and Sustainable
Development**

Issues Note

1. Paragraph 38 of the Ministerial Declaration of the High-level Segment of the ECOSOC for 2003 on the “Promoting an integrated approach to rural development in developing countries for poverty eradication and sustainable development”, states: *“We commit ourselves to the implementation of the present declaration and call upon civil society, the organizations of the United Nations system and other relevant actors and organizations to lend their full support to the realization of the objectives of integrated rural development for poverty eradication and sustainable development. We agree to review progress or lack thereof in the implementation of the present declaration at the substantive session of the Economic and Social Council in 2005.”*

2. In response to this commitment, ECOSOC members agreed to hold a ministerial review of progress in the implementation of the 2003 Ministerial Declaration as part of the official proceedings of the 2005 High-Level Segment of ECOSOC.

3. To facilitate the review, this note is to provide preliminary information on the implementation of the 2003 Ministerial Declaration. In the absence of a formal request for a follow-up report by the Secretary-General on the progress of the implementation, a comprehensive report has not been prepared. Besides information on the status of implementation of the more general aspects of the Ministerial Declaration, the note also includes details on actions undertaken by the three Rome based UN organizations – FAO, IFAD, WFP – as well as the UN Secretariat in support of the implementation of the Ministerial Declaration.

4. To-date, *overall* progress on promoting an integrated approach to rural development in developing countries for poverty eradication and sustainable development is mixed. The 2003 ECOSOC Ministerial Declaration has yielded significant results which fostered greater political awareness of, and policy sensitivity to, the importance of the rural sector. There is also growing evidence that increased investment in agriculture and rural development is producing meaningful progress towards achieving the Millennium Development Goals (MDGs); in particular MDG 1. However, rural poverty and chronic hunger remain universal problems, even in regions where the proportion of those suffering has been reduced. And while there has recently been an increase in development assistance, the rural dimension is still not receiving the necessary – political, policy or financial – focus.

5. The promotion of an integrated approach to rural development remains the central development issue for many years to come and is critical for achieving the Millennium Development Goals. Globally, extreme poverty continues to be overwhelmingly rural. Of the world’s 1.1 billion extremely poor people, about 74 percent live in rural areas; where they depend on agriculture, forestry, fisheries and

related activities for survival. Of the 815 million who suffer from chronic hunger, 80 percent live in rural areas. In sub-Saharan Africa, agriculture contributes to 30 percent of GDP and 70 to 80 per cent of employment. In South Asia, agriculture contributes to 27 percent of GDP and 60 percent of employment.

6. Since the Ministerial Declaration, there has been an emerging, though not yet fully integrated, consensus regarding the centrality of agriculture and rural development in achieving the MDGs. In 2003, the Evian Summit of the Group of Eight (G 8) strongly reaffirmed the importance of agricultural in poverty reduction and support to agriculture as a crucial instrument in official development assistance. In Maputo, Mozambique, the heads of State and Government of the African Union committed to allocating at least 10 per cent of their budgetary resources to agricultural and rural development.

7. In 2005, the UN Millennium Project Report concluded that “the global epicenter of extreme poverty is the smallholder farmer.” The Commission for Africa emphasized this point, stating: “Agricultural is key to Africa.”

8. There have also been a number of substantial initiatives to raise the general level of overseas development assistance. The Council of European Union’s recently announced their new collective ODA/GNI targets of 0.56% by 2010 and .70% by 2015. The G 8 finance ministers have agreed to cancel debt owed to international financial institutions by the world’s 18 poorest countries. Specific to the Ministerial Declaration, a number of countries (e.g. Finland, Norway, Sweden) have targeted their aid specifically to agriculture and rural development.

9. Significantly, there have been increased partnership activities between developing countries and public/private alliances (e.g. UN Public-Private Alliance for Rural Development), which focus on the positive role business can play in promoting rural development. Developing countries are also actively collaborating (e.g. NEPAD’s CAADP) to facilitate sustained investment on the national level in the agricultural sector.

10. This commitment to food security and sustainable rural and agricultural development is yielding results among the hunger and poor. A number of developing countries are on track to reach some of the MDGs by 2015. According to the report of the UN Millennium Project, between 1990 and 2001 the global proportion of people living on less than USD 1 per day declined by 7 percent. Progress in the two most populated countries, China and India, account for much of these gains. More than 30 countries, with a total population of over 2.2 billion people, have reduced the prevalence of undernourishment by 25 percent and have made significant progress towards reducing the number of hungry by half by the year 2015. Significantly fourteen of these countries are in sub-Saharan Africa, the region hardest hit by hunger and malnutrition.

11. Despite this progress, extreme poverty and chronic hunger persists mainly in rural areas. Even in regions where we have seen significant progress towards achieving MDG 1, sustainable rural development remains a daunting challenge. In East Asia, 79.9 per cent of people living on less than one US Dollar per day live in rural areas; 77.2 per of the extreme poor of South Asia live in rural areas. And in sub-

Saharan Africa, the proportion and absolute number of a people living in extreme poverty has actually increased. For 33 tropical African countries, GDP per capita averages only USD 270, or 71 cents per day. In the worst-affected regions – sub-Saharan Africa and South East Asia – the number of hungry people has increased by the millions.

12. Integrating agriculture and rural development into the international development architecture remains a challenge. Quite often, food security and rural development are given little or no consideration in policy statements and declarations. For example, the Draft Outcome Document for upcoming High-Level Plenary Meeting of the United Nations General Assembly does not adequately address the importance of food security and rural and agricultural development. The text contains welcomed calls for gender equality, innovative research and a new Green Revolution specifically in Africa. However, it understates the global significance rural development and agriculture must play in order to achieve internationally agreed development goals.

13. The Ministerial Declaration specifically calls for an increase in “productive investment in rural and agricultural development.” However, over the past 20 years, we have witnessed a steep decline in resources for agriculture and rural development. Between 1983-1987, the average ODA per year to agriculture in the least-developed and other low-income countries was USD 5.14 billion (2002 prices). For 1998-2002, ODA to agriculture averaged USD 2.22 billion; a drop of 57 percent. Lending from international financial institutions followed a similar pattern. Domestic investment in agricultural and rural development mirrored this decline. To make matters worse, development-oriented food assistance has also fallen significantly. There is little reliable data that these trends have been reversed.

14. Finally, while implementation of the Ministerial Declaration remains a work in progress, it must also be noted there is growing empirical data to support a reaffirmation of this initiative. Evidence suggests there is a method for achieving poverty reduction and sustainable development. For the past 20 years, greater levels of government expenditure for agriculture in developing countries show a clear correlation with progress towards reaching the MDGs not least to reduce poverty and hunger. Rapid progress in reducing poverty in Asia is correlated with high and increasing levels of government expenditure on agriculture. Within the group of the more 30 countries that are on track to reach to MDG 1, agricultural GDP increased at an average annual rate of 3.2 percent, almost a full percentage point faster than for the developing countries as a whole.

Implementation of the Ministerial Declaration by UN system organizations

15. In response to the challenges posed by persistent rural poverty and chronic hunger, FAO, IFAD and WFP, the three Rome-based UN agencies, have enhanced their partnership and are re-energizing collaboration among themselves as well as with other UN partners and in support of the MDG process. Jointly, the agencies are advocating a twin-track approach to combating hunger and poverty: on the one hand, in seeking to create a vibrant economy in which men and women can provide for themselves, they must have the building blocks for long-term sustainable growth, including improved infrastructure, sound natural resource management and increased

access to jobs, education, land (including land tenure), water, credit, social services and organizations for the poor. This means investments in increasing productivity, in rural financial and service institutions and in markets, backed by major policy reforms. On the other hand, direct, sustained and well-targeted assistance is often necessary to assist women to feed their families, prevent disease, rebuild the livelihood of families whose members have affected by HIV/AIDs, send children to school, rebuild infrastructure shattered by armed conflicts, and reclaim natural resources eroded by generations of overuse. The three Rome-based UN agencies, together with IPGRI and NGO representatives are also cooperating closely in promoting and supporting the International Alliance Against Hunger (IAAH), a voluntary association of local, national and international institutions and organizations that share a common mission to eradicate hunger in the world through a combination of political will and practical action.

16. In 2004 and 2005, **FAO** continued to promote an integrated approach to rural development. One of the main programmes for this integrated approach is FAO's work on Sustainable Agriculture and Rural Development (SARD) which also supports the MDGs, in particular MDGs one, seven and eight. This issue was on the agenda of the FAO Committee on Agriculture (Rome, 13-16 April 2005), which discussed a paper on "Sustainable Agriculture and Rural Development (SARD) and Good Agriculture Practices (GAP)" (available at : <ftp://ftp.fao.org/unfao/bodies/coag/coag19/j4236e.doc>). This document summarizes the main lessons learned over the past decade about SARD and how to achieve it, highlighting the centrality of FAO's commitment to the goal of sustainable agriculture and rural development within its Strategic Framework 2000-2015 and to the MDGs. It presents a framework for giving greater coherence to the FAO portfolio of SARD-related activities, with special reference to experience gained including with livelihood approaches and GAPs.

17. Following a proposal by Brazil, one of the major recommendations of the meeting of the Committee on Agriculture is to convene in 2006 an International Conference on Agrarian Reform and Rural Development, with the objective of learning from and sharing national experiences, and promoting concrete actions on the application of best policies, strategies and practices, for example, through the creation of a lasting platform and through enhanced technical cooperation for sustainable rural development. This proposal has now been approved by FAO's Council and the conference will be organised in Porto Alegre, Brazil, in March 2005, in the context of FAO's commitments undertaken at ECOSOC, the World Food Summits, WSSD and the MDGs.

18. Among many other activities, directly SARD-related activities developed by FAO include:

- the SARD Initiative, an alliance of civil society, government and the international community, that was launched at the World Summit on Sustainable Development (WSSD), and which is facilitated by FAO in its role as Task Manager for Chapter 14 of Agenda 21;
- a Project on SARD in Mountain regions to support the design, implementation and evaluation of coherent policies in mountain regions,

linked with the SARD Initiative and the Mountain Partnership, also launched at WSSD;

- a SARD Farming Systems Evolution Project to strengthen the capacity of governmental and non-governmental stakeholders, at local, territorial and national levels, to work together to diagnose the long term development of major farming systems and to identify and assess policies and institutional strategies to achieve SARD most effectively.

19. During the Committee on Agriculture, a new web site on SARD was launched (www.fao.org/sard) to promote this holistic, integrated and participatory approach to agricultural and rural development and to provide information on global platforms as well as FAO's and other stakeholders' programmes and projects related to SARD.

20. Another support to the promotion of an integrated approach to rural development is the the UN System Network on Rural Development and Food Security. As highlighted in the paragraph 36 of the Ministerial Declaration, partnerships at the national and international levels are important to foster collaboration among actors in different sectors; this Network is directly involved in strenghtening collaboration between governements, international organizations, NGOs and CSOs at both national and international levels. Its web site (www.rdfs.net) regularly publishes articles and interviews on joint initiatives from UN agencies and civil society organisation in the field of rural development. The Network is also working closely with the International Alliance Against Hunger.

21. Access to and control of land are central features of a comprehensive and integrated approach to rural development aiming at sustainably reducing food insecurity and rural poverty. Providing more equitable and secure access to land by the poor and landless, especially for women, often requires changes in policies, legislation and institutions (both formal and informal), and requires action at the national level as well as in local communities.

22. FAO has contributed to promote rural development in 2004-2005 through the elaboration and dissemination of tools and policy documents on improved access to land, and more particularly in the following questions and problem areas: through redistribution in land/agrarian reforms; through land markets and leasing; in post-conflict situations; for pastoralists, indigenous people and vulnerable groups in general; through land consolidation. Field projects have employed these approaches and contributed to rural development through the improvement of land access, land tenure security and land administration, providing opportunities to small farmers to secure their rights, promoting equitable access to rural land for women (including women heads of households) and securing land rights for returnees and Internally Displaced Persons in post-conflicts settings.

23. Since the adoption of the 2003 Ministerial Declaration of ECOSOC, IFAD has further strengthen its country programmes, policy dialogue and advocacy on the attainment of three its strategic objectives: strengthening the capacity of the rural poor and their organizations; improving equitable access to productive natural resources and technology; and increasing access to financial services and markets.

24. In the spirit of the Declaration's call for UN agencies to increase to simplify, harmonize and integrate, IFAD has undergone major transitions to improve and strengthen its ability to enable rural poor people to overcome poverty by renewing its policy and operations. Our institutional measures include: (i) an Executive-Board-endorsed Strategic Framework, which links its strategic objectives to achieving the MDGs and expresses the vision of IFAD stakeholders; (ii) enhanced the use of Country Strategic Opportunities Papers (COSOPs), as the basis for linking regional strategies to individual country programmes; (iii) a new framework for a Results and Impact Management System (RIMS) to improve the measurement, reporting and assessment of the results and development impact of IFAD-supported operations; (iv) modification of the role, status and operating methods of the Office of Evaluation, culminating in the new evaluation policy approved by the Executive Board; (v) a Performance-Based Allocation System (PBAS) to focus IFAD financial assistance on the best opportunities for sustained rural poverty reduction, thus improving the impact and effectiveness of projects and (vi) a pilot programme to enhance IFAD field presence and in-country capacity, testing different approaches in 15 borrowing countries.

25. As recommended by ECOSOC, efforts have been made by IFAD at the international level to promote partnerships and pursue a coordinated approach in policy and advocacy on behalf of the rural poor. A Memorandum of Understanding between IFAD and NEPAD, to collaborate in organizing stakeholder dialogue as well as participatory project design, was signed in 2004. To help the NEPAD Secretariat access and use contributions from the African Civil Society, IFAD has prepared a support programme for partnership building and collaboration with civil society; including farmers' organizations, the private sector and other key stakeholders in participatory programme inception and design.

26. The Belgian Survival Fund Joint Programme, focusing on the Horn of Africa, is supporting 13 projects for a total of USD 63 million and placed emphasis on conflict prevention in post-war conditions. The target area covers the Great Lakes region, Central Sahel countries and Angola.

27. Hosted by IFAD, the International Land Coalition (ILC) supported 58 projects in 2004 and launched an important country-level initiative, the Land Alliance for National Development (LAND), which aims at creating national round-tables where government and civil-society actors can work together to develop policies and strategies for more equitable access to land and related productive factors.

28. Related to enhanced support to achieve agreed development goals, IFAD is currently negotiating its 7th Replenishment with Member States. Due to the identified increased need, IFAD is requesting USD 800 million. This would allow IFAD to raise its programme of work by about ten percent per year.

29. IFAD has also made significant contributions to many of the other challenges identified in the 2003 Declaration. For example, many of IFAD's projects in Western and Central African seek to expand women's access and control over fundamental assets, such as capital, land, knowledge and technologies. This has led to a growing sense of self-esteem and empowerment vis-à-vis the women's families and communities.

30. In the area of microfinance, seventy-five per cent of IFAD-funded projects provide financial services to poor rural men and women. We work with poor people and their organizations to develop sustainable, innovative and diversified rural finance systems. In conjunction with CGAP, IFAD participated in a unique aid effectiveness initiative: Microfinance Donor Peer Reviews. Rather than concentrate on constraints at the country level (governance, corruption, macroeconomic instability, etc.), the reviews focus on what donor agencies can most directly influence: their own procedures, practices, processes and systems.

31. As host to the Global Mechanism, which has responsibilities under the United Nations Convention to Combat Desertification, IFAD is participating with the World Bank on the development of the third tranche of the Bio-Carbon Fund.

32. IFAD supports the development of pro-indigenous peoples partnerships, both through advocacy campaigns and participation in events highlighting poverty and sustainable development. Examples of initiatives include strengthening or recovering indigenous peoples' rights in their ancestral lands and development innovative mechanisms for compensating indigenous peoples for the environmental services they provide to the local, regional and global economy.

33. Millions of rural farmers resort to over-exploiting their land to feed their families. In order to eat today, they sacrifice their future, farming marginal soils, cutting forests, over-grazing fragile rangelands and over-using water resources. WFP's development aid temporarily frees the poor of the need to provide food for their families, giving them time and resources to invest in lasting assets such as better houses, clinics and schools, new agricultural skills and technology and, ultimately, a better future. They involve terracing, tree planting and soil and water conservation. WFP's active role in promoting national commitment to Millennium Development Goals has involved strengthening its cooperation with national governments and community groups in implementing programmes that address food insecurity.

34. Food and nutrition programmes have a vital role to play in the development of marginalised rural areas where the majority of the poor live. Malnutrition is an important determinant of mortality, so food interventions play an important part in saving lives through their impact on the nutrition and health of affected populations. WFP's nutrition programming has been strengthened in recent years to pay more attention to underlying causes of malnutrition and seek to build links with longer term developing activities. WFP development aid focuses on the nutrition needs of young children and expectant and nursing mothers. Food aid is also used as an incentive to encourage the poor to invest in their futures through education and training. Building for the Future: better homes, schools and irrigation are vital in the battle against hunger and poverty. But the poor cannot afford to invest in new assets. WFP has extensive experience in covering the short-term food needs of the vulnerable, giving them time and resources to build new houses, learn new agricultural skills, buy new technology and, ultimately, build a better future. Food aid can assist in disaster mitigation: a flood or a drought can destroy the livelihoods of the hungry poor in a matter of hours. Food aid can help avert an emergency before it turns into a full-fledged crisis.

35. In seeking to promote national and regional food markets and optimise opportunities that arise from international food trade, WFP is increasingly advocating for local and regional food purchases (also referred to as triangular transactions) of its food aid commodities. This approach is gradually winning support among donors due to its dual impact on both food security and supporting local/regional food markets in developing countries. However it is worth noting that WFP's ability to purchase food depends directly on the amount of donor contributions provided specifically for this purpose.

36. In 2004, WFP development projects benefited 24 million people. They target homes and communities, where hunger poses a serious threat to health and productivity.

37. The Ministerial Declaration underlined the importance of partnerships at the national and international level to foster collaboration among actors in different sectors and proposed the launching of partnerships and alliances of Governments, donors, non-governmental organizations and private sector of the promotion of integrated rural development. In response, the **UN Department of Economic and Social Affairs (DESA)**, in cooperation with other UN entities, notably IFAD, FAO, WFP and UNDP, and members of civil society, established a United Nations Public-Private Alliance for Rural Development in 2003.

38. The objectives of the UN Public-Private Alliance for Rural Development are fourfold: (i) to work principally as a catalyst and facilitator for the creation of partnerships; (ii) to provide a platform for collaboration between public sector and other rural development entities; (iii) to facilitate private sector and NGO/civil society participation in various identified opportunities and activities; (iv) to bring the results and lessons learned periodically to the attention of the international community, through the Council. In recognition of this, The UN Alliance is part of a growing family of initiatives within and outside the United Nations system that focuses on the positive role business can play in promoting rural development.

39. Madagascar was the first pilot country in which the Alliance became active. A public-interest organization "Alliance-Madagascar" has been fully validated by the government. The Prime Minister provides high political leadership of a diverse group drawn from the government, business, NGO and financial/technical communities who comprise its General Assembly and Board of Directors, with the participation of two members of the UN country team, namely the Resident Coordinator / UNDP Resident Representative and the FAO Representative. The Alliance encourages networking and matchmaking at the international and local levels.

40. Specific areas for action include "bankable projects" in agriculture; promotion of handicrafts exports; facilitation of access to rural credit through micro-finance and micro-insurance; provision of more than 400 computers to local government and schools; and dissemination of the principles of public-private partnership. Furthermore, Japan's TICAD Initiative will forge cooperation with the UN Public-Private Alliance for Rural Development and Alliance Madagascar in two key areas: (i) to set up an Afrasia Exchange desk to help promote business between local companies, and (ii) to facilitate participation by Malagasy entrepreneurs in the Asia

Africa Business Forum in 2006. The Dominican Republic will be considered in the next pilot phase

41. Through all these initiatives and programmes, the Rome-based agencies (FAO, IFAD, WFP and others) are responding in a coordinated manner, to promote collaboration, partnerships and joint initiatives, in ways that capitalize and also build upon the comparative advantage and the strategic mandate of each. Such coordination and collaboration are essential to exercise an integrated approach for poverty and hunger eradication and sustainable rural development in developing countries.
