

Summary of IFAD's Contribution to the Implementation of the Brussels Programme of Action for the Least Developed Countries

IFAD tackles poverty not only as a lender, but also as an advocate for rural poor people. Its multilateral base provides a natural global platform to discuss important policy issues that influence the lives of rural poor people, as well as to draw attention to the centrality of rural development to meeting the Millennium Development Goals. As reflected in the strategic framework, IFAD is committed to contribute to achieving the Millennium Development Goals, in particular the target to halve the proportion of extremely poor people by 2015.

The large majority of the least developed countries are in Africa. These countries, like other LDCs, have been especially vulnerable to the disruptions caused by falling commodity prices, conflicts and natural disasters, as well as the AIDS pandemic. Overall, the rate of poverty reduction in Africa, for example, is far lower than that required to achieve the Millennium Summit target. And in some LDCs, poverty levels, life expectancy and other social indicators have actually worsened in recent years.

The majority of the poor in most LDCs live in rural areas, depending on agriculture and related trade, services and processing activities for their livelihood. Women form a growing majority of the poor, with equal obligation for farmwork in addition to their household tasks, and yet even more deprived than men of assets, services or support. The only way to achieve a higher rate of growth in these countries is to engage the under-utilized capacities of the poor through broad-based rural development, centered on growing agricultural production.

The rural poor rarely have the same voice in decision making as the better off and urban groups. Thus the pressure of budgetary limitations and reform programmes has fallen disproportionately on investment in the rural sector. Services and infrastructure there have eroded and rural health and education facilities have been starved of resources. Not surprisingly, poverty levels in rural areas are often double those in urban areas.

This situation calls for a new approach to ending poverty among the least developed countries, an approach supported by focused domestic policies and enhanced international assistance. Reducing poverty by half in least developed countries, especially in Africa, will require a much higher rate of economic growth, about 7% per year, than has been achieved in the 1990's.

Since its establishment, IFAD's has supported a high volume of projects in LDCs. IFAD's commitment to the rural poor, as expressed in its Strategic Framework (2002-2006), sets the agenda for its projects and activities. To empower the poor and marginalized is the primary goal in all projects and it can only be achieved through a participatory process and by listening to the voices of the poor and involving their organizations. By putting the focus on vulnerable groups such as indigenous people and mainstreaming a gender perspective, IFAD reaches out to those who make up the majority of rural poor or the most disadvantaged. Putting people at the centre of development is the first step to enabling the rural poor to take their destiny into their own hands.

Rural development and agriculture are key sectors to achieve the MDGs. IFAD is addressing the structural problems the rural poor face with regard to institution-building, improved livelihoods, food

security, increased productivity, fair access to markets and trade. It is increasingly doing so in South-South collaboration to enable exchange and progress on common problems within and across regions.

Since its establishment, IFAD has approved 707 investment projects with USD 9 billion approved from its own resources and USD 15.8 billion contributed by cofinanciers. The current portfolio now stands at 232 investment projects with approved IFAD financing of USD 3.6 billion, and 274 grant projects with IFAD financing of USD 119 million. Of these, 184 investment projects and 178 grant projects are under implementation. With these, the number of projects approved by IFAD it was established at 707 projects for 115 countries^{1/} with an approved financing amount of USD 9 billion.

Between 1978-2005, total IFAD lending to LDCs amounted to \$3.547 billion for 327 operations, representing nearly 40% of IFAD total. Moreover and during the same period, IFAD committed over USD 500 million in grants to support research-for-development programmes, many of them involving LDC countries. Many of the programmes had an impact on small-scale agriculture throughout the developing world. Through its support to the global agricultural research system, IFAD has succeeded in drawing attention to the priority concerns of the rural poor.

Commitment 1: Fostering a people-centered policy framework

Goals and targets - IFAD's mission is to enable the rural poor to overcome poverty, by strengthening their capacity and the capacity of their organizations to influence the institutions that determine their livelihoods. The goal is to empower the poor and marginalized to have a greater voice in institutions at the local and national level, promoting access to economic services like credit and savings, markets, technology, capacity building opportunities, natural resources, market infrastructure and social services.

Adopted policies

Indigenous people -- Community-based organizations, NGOs and self-help groups have been instrumental in achieving social and economic transformation. When marginalized women and indigenous peoples have taken on decision-making roles, especially in community affairs, they became effective agents of change.

Operational Activities

- The *Hills Leasehold Forestry and Forage Development Project* in Nepal is creating new assets for landless and semi-landless women through raising the incomes of indigenous families in the hills (such as Tamang, Danuwar, Praja, Magar and Majhi) who live below the poverty line and by contributing to improving the ecology of the hills. Women constituted the majority of beneficiaries and received training in basic literacy skills, legal literacy, health, sanitation and nutrition, and diversification of their enterprises.

Gender Empowerment: -- Feminization of rural poverty in LDCs is widely recognized. Despite rural women's essential economic, productive and care-giving roles, their access to services, assets and decision-making continues to be disproportionately low. Reduction of gender inequalities and securing access to natural resources are essential elements in the work of IFAD and its partners.

Operational Activities

- In Burkina Faso, efforts focused on increasing production and incomes by improving natural resource management, promoting soil and water conservation, and fighting desertification. An assessment of the early projects highlighted the importance of paying sufficient attention

^{1/} Of the 115, one is a territory.

to local capacity-building. Although women have contributed significantly to project implementation, further efforts are needed to increase their role in decision-making processes.

- In Madagascar, the *Rural Income Promotion Programme* has improved access for small-scale producers to markets and higher value for their products, and environmentally sustainable intensification, growth and diversification of the productive base of the rural poor, including for women.

Commitment 2: Good governance at national and international levels

Goals and targets - IFAD works closely with Governments to sensitize them to the needs of the poor. Commitment by Governments at the highest level to poverty alleviation in rural areas is imperative. Without greater attention to and investment in rural development and agriculture, countries are unlikely to meet the overarching MDGs, nor will they achieve the quality of life they seek for all their people.

Adopted policies:

Support to regional initiatives like the New Partnership for Africa's Development (NEPAD) is a means to encourage stronger involvement at regional level. A cluster of UN agencies, including IFAD, is supporting NEPAD in the areas of agriculture, trade and market access through knowledge management, advocacy and capacity building. IFAD has provided support to the participatory design and implementation of the agricultural component of NEPAD and has been using its role, both within and outside of the cluster, to advocate for the rural poor and their organizations to get more systematically involved.

Operational Activities

- The Network of Farmers' Organizations and Agricultural Producers organized a workshop, supported by IFAD that led to the presentation of a farmers' proposal to the West African Heads of State. As a result, NEPAD will consult farmers' organizations more systematically on its future orientation and activities.
- IFAD prepared a Support Programme to the NEPAD Secretariat, which includes the provision of technical assistance in the participatory design of selected agricultural projects.

Working with civil society and NGO -- By building on people-centered policy and working with civil society and other actors, IFAD assists LDCs in building their own institutional and human capacities.

Operational Activities

- In Mauritania, the *Oasis Development Project II* established some 70 community-based organizations, with associated capacity-building, and 67 decentralized financial institutions. This successful participatory approach enhanced social cohesion and women's participation and brought solutions to many local development problems. Household incomes increased substantially, and rural migration appears to have been reversed in some oases.
- In Yemen, the *Women's Economic Empowerment Association (WEEA)* received a grant to build its technical expertise in microfinance so as to promote women's savings and credit groups in the Al-Khala governorate and to help rural women generate and diversify their incomes. The grant will contribute to a long-term objective: the institutionalization of Sondouk, a traditional microfinance system practised by rural communities in Yemen for centuries and widely used in several countries of the Near East and North Africa.

Commitment 3: Building human and institutional capacities

Goals and targets -- Empowerment at the grass-roots level is essential to enable beneficiaries to be active recipients and major players in the decision-making process. IFAD's involvement in post-conflict situations is based on programmes of transition of relief, rehabilitation and development, and on cooperation with the UN system, IFIs, bilateral agencies, NGOs and civil-society organizations.

Adopted policies

Education and training -- Education and training are components in most IFAD projects, since human resources are the most important asset of the rural poor. Efforts at developing human capacities in LDCs through improved schooling and training have been hampered by low enrolment, the prevalence of the HIV/AIDS pandemic and malaria, tuberculosis and other communicable diseases, as well as by natural and man-made disasters. Knowledge management among LDCs and between LDCs and donors is becoming increasingly important and allows mutual beneficial information exchange and training.

Operational Activities

- With a grant from IFAD, FAO is implementing a pilot project for farmer field schools in Kenya, Uganda and the United Republic of Tanzania, which is, in turn, providing the basis for FFS groups to establish their own local lesson learning network.
- FIDAFRIQUE is an Internet-based network linking 30 IFAD-funded projects and other partner organizations in Western and Central Africa.

Post-conflict reconstruction -- In times of crisis, food production is placed at an enormous risk because of disruptions in farming activities. The recapitalization of conflict-affected rural sectors during a period of acute tension, conflict and transition to peace, is the main objective of interventions. Evaluations of a wide range of activities and partnerships in war-torn countries have confirmed the importance of the confidence-building among communities to ensure progressive ownership of the activities undertaken.

Operational Activities

- In Mali, IFAD participated in a multi-actor effort to improve food and income security of populations and assisted in the reintegration of returnees after the Touareg rebellion. A quadripartite agreement resulted between Mali, Algeria, UNHCR and IFAD.
- In Rwanda, IFAD is collaborating with WFP to terrace hillsides and reclaim swampy land in Gikongoro and Ruhengeri prefectures, thus making more land available for cultivation.
- For Burundi's *Transitional Programme for Post-Conflict Reconstruction*, IFAD undertook a conflict analysis to understand the root causes of the Burundi conflict and its impact on the livelihoods. It was suggested to focus on reviving traditional juridical institutions (the role of the Bashingatahe), identification and targeting of vulnerable groups, gender sensitivity, healing of trauma, rehabilitation and development of agriculture.
- In Sierra Leone, the involvement of communities is crucial to create a sense of ownership and commitment. Rehabilitation of infrastructure and productive capacities are central to responding to the needs of a post-conflict environment.

Commitment 4: Building productive capacities to make globalization work for LDCs

Goals and targets - Globalization has led to the marginalization of most LDCs. By building capacities, IFAD aims to improve the ability of individual LDCs to increase their trade and participation in a global economy. Vulnerable groups can and do contribute to economic growth provided the causes of their poverty are understood and enabling conditions are created.

Adopted policies

Food production and food security -- Increasing agricultural production is central to rural development to ensure food security and income. The challenge is also to create additional employment opportunities, assets and incomes.

Operational Activities

- In Tanzania, in Kagera Region, sharp increases have been made in the yields of major food grains due to the timely supply of irrigation water, improved seeds and use of cost-effective extension services was noted. Increased production and the financing of complementary components (e.g. road construction and market facilitation) helped farmers to obtain better prices for their produce and improved market access. There has been a sharp decline in malaria, schistosomiasis, respiratory infection and eye and skin diseases in all project locations due to the supply of insecticide-impregnated mosquito nets, medicine and other preventive measures on a cost-sharing basis, a 20% drop in woman and child mortality rates thanks to greater access to medical services, the introduction of a referral system, improved child care and good drinking water; and a reduction in calf and cattle death rates following the introduction of community-driven animal disease control measures.
- In Zambia, the *Forest Resource Management Project* assists communities in developing institutional capacity to manage local forest resources and generate sustainable income generation through bee-keeping production and marketing, replanting and processing of bamboo and rattan. The project will furnish training in sustainable harvesting, processing and marketing of timber, along with mushrooms and traditional forest products, while conducting participatory adaptive research into appropriate processing technologies for forest products.
- In Lesotho, IFAD is introducing simple technology and gravity-fed micro-irrigation systems. Livestock production is improved through better animal health and husbandry practices, including the introduction of cost-effective measures to curb and eliminate stock theft, and improve the quality and quantity of wool and mohair.
- In Laos, the *Oudomxai Community Initiatives Support Project* is providing alternative livelihood systems to indigenous women through the development of sustainable agricultural systems and by diversifying non-farm income through cultivation, harvesting and group-marketing of non-timber forest products (NTFPs) for former shifting cultivators.

Fisheries --Coastal and high-seas fisheries are vitally important resources for many LDC, in particular Small Islands Developing States. Today the damage or destruction of productive coastal resources and fisheries is a nearly universal problem. The result has been a steady reduction in the productive potential of coastal fisheries, one of the most important subsistence sources of protein. IFAD is supporting projects which promote sustainable development of responsible fisheries and contribute to food security.

Operational Activities

- In Bangladesh, IFAD and WFP are working together on a project aimed at increasing fisheries and aquaculture production and income for the rural poor. The joint project will reach 120,000 people, half of whom are women (and thus contribute to gender equality), through rehabilitation and management of water bodies and income-generating activities.
- In Benin, a *Participatory Artisanal Fisheries Development Support* targets some 600 000 persons living in about 450 villages in the fisheries zones (pêcheries) and about 80 fishing camps along the coast. This includes poor fisherfolk households (about 300 000 persons) as well as approximately 4 000 women who process and/or trade in fish, mostly on a very small scale, using wood-smoking methods that are both wasteful and dangerous to health.

Commitment 5: Enhancing the role of trade in development

Goals and targets - The role of trade in economic growth and development processes has long been recognized. The Millennium Development Goal 8, on the global partnership for development, calls for an open trading system that is rule-based, predictable and non-discriminatory, and that also recognizes the special needs of the least developed countries in relation to tariff- and quota-free access for their exports.

Adopted policies

Access to markets -- Access to fair and efficient markets is central to any rural development policy. Innovative market-based initiatives have produced promising results in several countries. If rural producers organize themselves in marketing groups or cooperatives they can get fairer prices. These initiatives need to be expanded to cover a larger number of producers, particularly women. Access to world markets is crucial for the economic growth of LDC.

Operational Activities

- In Zambia and Mozambique, support is provided to enable smallholder producers to better access and engage in local and international markets for a range of agricultural products.
- In Burkina Faso, a project to support rural microenterprises strengthens local capacity for the promotion and development of rural microenterprises, and creates new non-farm employment opportunities in rural areas so as to increase rural income and reduce migration to urban centres.
- In Southern Africa, support to a natural product trade association, Phyto Trade Africa, aims at promoting the development of equitable and fair commercial relations between poor rural communities reliant on common property resources and international cosmetic and pharmaceutical markets.

Rural finance systems -- Rural finance is a vital tool in poverty reduction and rural development. Two thirds of IFAD's current projects have a rural finance intervention. Most of the target groups are small producers engaged in agricultural and non-agricultural activities in areas of widely varying potential. Experience has shown that direct access to financial services affects the productivity, asset formation, income and food security of the rural poor.

Operational Activities

- In the United Republic of Tanzania, IFAD has supported the transformation of savings and credit cooperatives (SACCOs) in upland areas from credit channels into real self-help organizations. They have vigorously mobilized savings and diversified their lending to the agricultural and microenterprise sectors including women traders. Results in terms of impact include: empowerment of the poor including women as user-owners, substantial improvements in food security and income, and enhanced institutional sustainability.

Microfinance programmes -- Microfinance programmes and the development of rural finance systems that enable poor people to borrow and save are an important feature of rural development in LDCs. Microfinance components are built into most IFAD projects.

Operational Activities

- In Mali, strong emphasis is placed on support to grassroots institutions, such as village associations and women's groups. After disappointing results with short and medium-term credit lines targeted specifically to agriculture, IFAD has achieved far better outcome in recent years through supporting decentralized microcredit operations. It has also been found that women borrowers generally represent a lower credit risk.

Traditional knowledge -- Plants and traditional knowledge have been used by indigenous people for agriculture, food production, medicine and cosmetics. Products generated are an important source of income and trade in rural areas. For profit use of traditional medicinal knowledge and traditional medicine without authorization has become a dispute under the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS Agreement) and related issues in the WTO.

Operational Activities

- IFAD's *Western Uplands Poverty-Alleviation Project* in Nepal (WUPAP) strengthens and upgrades traditional local health systems practised by women, based on the use of medicinal plants. The programme will also finance the establishment of community-based medicinal herb gardens operated by women.

Commitment 6: Reducing vulnerability and protecting the environment

Goals and targets - The poor often have limited or no access to land, water and other productive natural resources. Many poor farmers live in environmentally fragile zones and often lack access to technologies that are responsive to their needs. Appropriate technologies and research to increase productivity are needed. However, it is crucial that new technologies are responsive to local needs and conditions. Using modern know-how to build on and enhance indigenous knowledge and technologies can be far more effective than imposing foreign or western production methods.

Adopted policies

Access to land -- Secure access to land is central to durable solutions to poverty – it can result in improved food security, increased family incomes, more sustainable use of natural resources, access to credit, reduced conflicts and contributes to combating desertification. The International Land Coalition was established as the outcome of the Conference on Hunger and Poverty convened by IFAD in Brussels in 1995 and hosted at IFAD, works together with the rural poor to increase their secure access to natural resources, especially land.

Operational Activities

- In Niger, land tenure in most cultivable areas and throughout the Sahel is being transformed when traditional communal ownership patterns are being replaced by individual ownership. The *Support to Farmer Initiative Innovation Project*, a pilot research and development project, is carried out for the testing of an innovative approach involving a close and direct partnership among farmers, researchers and NGOs.
- In Madagascar, IFAD is developing an initiative aiming at supporting the government to implement its National Land Tenure Programme and strengthening the land tenure security of poor rural households.

Water -- Water is a central issue of poverty eradication and sustainable development. Control by the poor over water is essential to realize the full benefits from their farmland. Water issues are intricately linked to South-South cooperation and agricultural development.

Operational Activities

- IFAD is working with the African Development Bank, FAO, the International Water Management Institute and the World Bank to identify new approaches to investment in the agricultural water-supply sector.
- In Burkina Faso, a *Special Programme for Soil and Water Conservation* was designed to improve the natural resource base and promote intensification and diversification of agricultural commodities.

- In Senegal, the *Agricultural Development Project in Matam* is supporting the rehabilitation and proper operation of village-based irrigation schemes. The project had a positive impact on rural incomes and has helped reduce the incidence of chronic malnutrition among children under five in the project area.
- Regional grants have been awarded to generate and test new approaches through research on participatory irrigation management programme (International Center for Advanced Mediterranean Agronomic Studies); the use of brackish and saline water (Arab Center for the Studies of Arid Zones and Drylands, ACSAD and ICBA); on farming harvesting (ICARDA); the facilitating of collaboration on trans-boundary water (Sahara and Sahel Observatory); and capacity-building for management of water demand (International Development Research Center).

Environmentally fragile zones -- The resource-poor areas in which many poor farmers and herders in LDCs live are at perilous risk of desertification and land degradation. IFAD's extensive experience in supporting programmes for sustainable poverty reduction in such areas led to its selection to host the Global Mechanism of the United Nations Convention to Combat Desertification. IFAD is now also a Global Environment Facility (GEF) implementing agency which strengthens its role in fighting land degradation, a problem several LDCs face. IFAD and other members of the Facilitation Committee, including the World Bank, UNDP and the Regional Development Banks, have helped the Global Mechanism develop an ambitious business plan. In the context of this plan, LDCs will have opportunities to develop action plans to combat desertification and to mobilize resources to implement them.

Operational Activities

- In Ethiopia, the *Pastoral Community Development Project* supports a participatory disaster-management programme to reduce the vulnerability of pastoral communities to drought and other natural disasters that threaten their livelihoods. The project will not focus exclusively on increasing incomes and productivity from livestock but will also identify and develop alternative livelihoods, including sedentary agriculture on a voluntary basis and non-farm income generation, with a view to better integrating pastoral communities into the national economy.
- In Mali, the *Kidal Food and Income Security Programme* IFAD in drought-prone regions of northern Mali supports grassroots institutions, such as village associations and women's groups.
- In the Gambia, the *Lowlands Agricultural Development Programme* is designed to help farming communities control saline water inundation or pond run-off water through the construction of dykes and spillways for rice production. In addition, the project improves access to tidal swamp areas through the building of bridges and causeways. The priority target groups are traditional swamp and tidal rice growers, mainly women.

Commitment 7: Mobilizing financial resources

Goals and targets – IFAD has long recognized the special difficulties that the least developed countries face. Between 1978-2005, total IFAD lending to LDCs amounted to \$3.547 billion for 327 operations, representing nearly 40% of IFAD total. Moreover and during the same period, IFAD committed over USD 500 million in grants to support research-for-development programmes, many of them involving LDC countries. Many of the programmes had an impact on small-scale agriculture throughout the developing world. Through its support to the global agricultural research system, IFAD has succeeded in drawing attention to the priority concerns of the rural poor.

During 2005, IFAD funded 14 programmes and projects in LDCs for \$180.2 million, representing 37.7% of total lending for the same year. Of 2005 lending, 82.7 per cent was to low-income food-deficit countries – as classified by FAO – and 37.7 per cent to the UN-classified least developed countries.

Adopted policies

To strengthen coordinated international efforts on development and knowledge-sharing, IFAD has established an extensive network with its Research for Development partners. In its research on food crops, forestry, livestock, irrigation management, aquatic resources or policy, the Consultative Group on International Agricultural Research (CGIAR) is increasingly working in partnership with National Agricultural Research Systems (NARS). This should further enable South-South exchange and future South-South Cooperation which has been identified as an important strategy to reach the UN Millennium Development Goals.

Operational Activities

- A technical assistance grant to the African Rural and Agricultural Credit Association (AFRACA), an African-owned organization with membership drawn from some 60 financial institutions is to promote enabling policy and legal frameworks for rural financial service development and enhance the management, outreach, products and performance of its member institutions.

Debt Relief -- For IFAD, external debt relief plays a key role in liberating resources that can then be directed towards activities consistent with attaining sustainable growth and development. IFAD, FAO and WFP have been jointly exploring innovative ways of increasing the volume of funding available for improving food security and rural livelihoods and of building mechanisms for mobilizing international resources.

IFAD has so far committed itself to providing debt relief to the 27 countries that have reached their enhanced Initiative decision point, for a total amount of approximately USD 238.2 million. Assuming prompt fulfillment of completion-point conditions and a relatively front-loaded modality for debt relief, this would amount to about USD 345 million in nominal terms spread over varying periods of time, depending on the country, ranging from two to 27 years (for Sao Tome and Principe) or even 35 (for Nicaragua).

Concluding Note

Over the last three decades, we have learned a great deal about eradicating poverty. What has become particularly clear to *solve* the problem of poverty is for all stakeholders including governments and aid agencies to help remove the shackles that keep the poor trapped in poverty. Our experience in IFAD, with poverty projects in 115 developing countries including LDCs, has repeatedly shown that even the poorest groups, whenever offered the opportunity, seize the chance eagerly to raise their incomes and output and build more secure and productive lives for their families. The challenge of ending rural poverty is to give the poor that opportunity.