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Enabling poor rural people  
to overcome poverty

## Report of the Chairperson on the country visit to Brazil for consideration by the Evaluation Committee

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For: **Review**

## Report of the Chairperson on the country visit to Brazil for consideration by the Evaluation Committee

1. **Background and objective.** In line with the decision of the Evaluation Committee at its 66<sup>th</sup> session held in March 2011, members of the Committee undertook the 2011 annual country visit to Brazil. The visiting team included representatives of Burkina Faso, Canada, India (Chair), Indonesia, Mexico, the Netherlands, Nigeria and Sweden.<sup>1</sup> IFAD was represented by the Director, Latin America and the Caribbean Division (LAC); the Senior Portfolio Manager, representing the Associate Vice-President, Programme Management Department; the Brazil Country Programme Manager and other staff; and a representative of the Office of the Secretary. The Deputy Director, Independent Office of Evaluation (IOE) of IFAD, participated in the visit to Brasilia and in the initial discussions at Fortaleza.
2. This visit aimed to gain knowledge and experience of IFAD's work in the field, so that the Committee will be able to provide general guidance on evaluation matters to the Executive Board, IFAD Management and IOE on a more informed basis (the terms of reference for the visit are presented in annex I).
3. **Overview of the programme.** During the first leg of the visit, in Brasilia, the Committee: (i) undertook discussions with federal authorities of the Ministries of Planning, Budget and Management and of Agrarian Development; (ii) participated in a round table to discuss various facets of the public policies on family farmers (smallholders) in Brazil; (iii) received a briefing on LAC's initiative for Policy Dialogue in the Southern Cone of South America;<sup>2</sup> and (iv) participated in the inauguration of the knowledge management initiative for the semi-arid north-east region of Brazil.
4. During the second leg, in Fortaleza and two municipalities of the State of Ceará, the Committee: (i) attended a presentation on the Dom Helder Camara Project (DHCP) made by the Deputy Director, IOE; the Project Director, DHCP; and the Deputy Secretary, Agrarian Development, State Government of Ceará; and (ii) visited communities and poor rural households served by the DHCP.
5. In the third leg, the Committee undertook discussions in Fortaleza with the state secretariats of Planning and Agrarian Development and with the Bank of the North-East of Brazil (BNB). Before departing from Brazil, the Committee held a wrap-up meeting in which committee members and IFAD staff shared their views on various facets of IFAD's country programme in Brazil, as well as on the arrangements made for the visit.
6. **Discussion with the federal government of Brazil.** The discussion with the Ministries of Planning, Budget and Management and of Agrarian Development was issue-oriented and very substantive. The discussion focused mainly on inequality in income and assets, the nexus between poverty and environmental degradation in the semi-arid north-east region, the need for involving youth in the economy, and the capacity of institutions to reduce poverty and to do so on a sustainable basis without relying permanently on handouts. In addition, Brazilian authorities provided an overview of Brazil's effort to expand South-South cooperation and responded to questions raised by members of the Committee.
7. With respect to IFAD's country programme, Brazilian representatives of the two ministries stated that IFAD has played an instrumental role in applying and refining

<sup>1</sup> While Sweden is not a member of the Evaluation Committee, it substituted for a List A membership and participated as an observer. For ease of reference, the entire visiting group of Representatives has been referred to as "the committee members" in this report.

<sup>2</sup> The Commission on Family Farming (REAF) is a regional forum for debate, exchange and public policy alignment on family farming within MERCOSUR (the Common Market of the South).

a methodology for eliminating extreme poverty and giving poor rural people a pathway that would eventually take them out of poverty. Overall, IFAD's interventions were considered of high quality, in terms of both their relevance to Brazil's country context and their effectiveness in sustainably reducing poverty. In this light, both ministries expressed their appreciation to IFAD for its extremely useful contribution to promoting rural development in general and family farms in particular. IFAD's contribution to promoting pro-poor policies for family farming, and the opportunities it offers Brazil to engage in South-South cooperation – including the transfer of knowledge with other countries in Latin America and beyond – were also considered of significant value.

8. Federal government representatives briefed the Committee on major policy changes under the country's new President. These include a focus on reducing extreme rural poverty not only by tackling hunger, but also by ensuring that poor rural people have opportunities to improve their incomes and economic well-being, while at the same time paying attention to sound environmental management. Working with rural youth is also a priority.
9. **Round table on family farming.** This workshop, held at the Brazilian Agricultural Research Corporation (EMBRAPA), provided a good opportunity for committee members to gain a better understanding of Brazil's policy on family farming, especially in relation to food security, agricultural supply and agricultural research. The workshop began with a welcome speech by the President of EMBRAPA, Pedro Arraes, in which he emphasized the strategic nature of the partnership between the Government of Brazil and IFAD.
10. In delivering his speech on behalf of the Evaluation Committee, the Chairperson expressed deep appreciation to the Government of Brazil for kindly agreeing to host IFAD's Evaluation Committee on its 2011 annual country visit and stated that committee members were particularly happy to be in Brazil, given its successes and continued efforts in combating rural poverty. In addition, he mentioned that IFAD can complement the Government's own efforts by playing a useful facilitation role in promoting South-South cooperation and exchanging knowledge of smallholder agriculture and rural development. He also emphasized that the active participation and leadership of major countries such as Brazil on the Fund's Executive Board and in other forums such as the Consultation on the Ninth Replenishment of IFAD's Resources is essential, especially in a moment of escalating global food prices and the financial constraints currently being faced by many countries of the Organisation for Economic Co-operation and Development.
11. The workshop started with a presentation by the Secretary (underminister) of Family Farming, who highlighted Brazil's approach to rural poverty since 2003 and the key role assigned to family farms in eliminating extreme poverty and ensuring food security. The Committee noted that Brazil still has vast pockets of rural poverty: 80 per cent of the people living in rural areas derive their livelihoods from small-scale agriculture (or family farming, as it is known in Brazil), and 70 per cent of food consumption in the country comes from family farming. It further noted the "renewed hope" and a "new future for poor rural people" that the new set of public policies has generated in Brazil. Its objective of creating jobs in rural areas goes beyond social concerns and is thus aligned with a wider development process that accelerates growth while ensuring social and economic stability.
12. A presentation followed on the programme of public purchases of agricultural output from family farms, which guarantees a market for much farm produce. In following-up, committee members discussed the actual outreach of the programme, the number and variety of products involved, price supports, etc. This was complemented by another presentation on agricultural research policies for family farms and the Brazil/Africa cooperation project. In presenting this, EMBRAPA commended IFAD for being flexible, responsive and for controlling the level of

bureaucracy. Committee members raised the issues of the possibility of scaling up, especially in sub-Saharan Africa, and of the role of other donors in South-South cooperation (e.g. the Department for International Development and the World Bank). The need to customize institutions and practices (as one size does not fit all) and broaden cooperation was also discussed. The Committee noted the strong commitment of EMBRAPA to collaborate with IFAD on promoting technology transfer, especially to African countries.

13. A presentation on REAF helped the Committee gain an understanding of how IFAD grant funds have been used to stimulate debate on public policies related to family farming in MERCOSUR. The Government informed IFAD that they will finance REAF from their own resources once IFAD funding is fully disbursed.
14. Finally, the Committee participated in the launching of the knowledge management initiative for the semi-arid region of Brazil (financed by the Spanish Agency for International Development Cooperation [AECID]), which will be executed by IFAD in partnership with the Inter-American Institute for Cooperation on Agriculture (IICA) and aims, inter alia, at empowerment of grass-roots organizations.
15. **The field visit – preparatory discussion.** Prior to meeting with communities and poor rural households, the Committee had a substantive discussion of the DHCP. To facilitate the discussion, the Deputy Director of IOE gave a PowerPoint presentation on the main findings and recommendations of the DHCP evaluation. This was followed by a presentation on the project interventions and their outputs and outcomes by representatives of the Ceará state government, project authorities and beneficiary organizations. Committee members noted that the project's *overall achievement* was rated as satisfactory by IOE's evaluation, and that it had made highly satisfactory contributions to promoting human and social capital and empowerment. The project also had a satisfactory impact on rural incomes, which increased by a factor of four, on average, by the end of the project.
16. Discussions also took place on the challenges and reasons for the only moderately satisfactory performance in efficiency and sustainability of the project. Apart from the need to pay greater attention to these areas in a possible follow-up phase of the operation, the need for a more-inclusive definition of "sustainability" (moving beyond income and assets and thus addressing environmental sustainability) and the trade-off between short-term efficiency gains and long-term sustainability were considered. In this regard, among other issues, discussions were held on the wide and dispersed geographical coverage of the operation, as well as the limitations of designating a federal government institution as the project's lead executing agency (in this case, the Ministry of Agrarian Development, based in Brasilia).
17. The Committee noted that the DHCP paid significant attention to building the self-esteem and capacity (and functioning) of project participants and modifying their attitudes so as to achieve self-sustaining development. While social mobilization formed the basis, social control played a role in regulating use of resources. It was further noted that civil society organizations played a critical role in reducing and eliminating mistrust of development interventions, which project participants had developed due to the failure of earlier government-sponsored programmes.
18. **The field visit – meeting communities and project participants.** The Committee's field visit included some five communities in Quixadá and Quixeramobim municipalities of the Sertão Central region of Ceará State. This visit offered committee members an opportunity to understand the biophysical context (e.g. low and erratic rainfall – 260-800 mm in an average year; high evapotranspiration; crystalline and shallow soil; undulating landscape; etc.) and the social context (65 per cent of farm families live in extreme poverty) in which the project was implemented. It also facilitated understanding of the processes adopted by the project to reach the targeted communities and households. The visit enabled committee members to exchange views and interact with diverse

stakeholders at the project level, including provincial authorities, implementing partners, beneficiaries and project staff.

19. The field visit included a variety of agricultural, fuel-saving and community development activities. Of particular interest were the agroecological farms that relied solely on organic farming methods and had developed fair trade links that bought cotton from project participants. The rainwater harvesting technology that primarily provided drinking water to smallholder families was a sustainable solution for drinking water in an area with low rainfall and very little groundwater resources. At times, these tanks were provided for growing vegetables, which enabled diversification of food sources and thus better intake of micronutrients. The Committee also observed a better-adapted, improved version of biogas digesters for cooking, which helped reduce dependence on firewood, and thus enhanced environmental sustainability and improved women's health by providing clean energy. In addition, committee members visited these activities: (i) bee-keeping, which was combined with a processing and packaging facility; (ii) goat-raising; (iii) broiler-chicken-raising; and (iv) crafts. Among community development activities, committee members visited a village health facility and a cathedral built with community savings and labour. By and large, agricultural and food produce was purchased by municipalities from family farms and directed towards social programmes such as the school meal programme, among others. Committee members could thus see the close links between federal-level programmes such as this one and local family farms.
20. During the field visit, committee members appreciated the participatory nature of local planning, the high relevance of the activities funded by the DHCP to the needs of the target group, the greater emphasis on building the capacity of individuals and communities; and the positive impact of the activities funded on the lives of poor rural people. Overall, the Committee noted that the DHCP played a valuable role in developing an effective approach and a robust methodology for tackling the problem of rural poverty in the semi-arid region of Brazil. The Committee also realized that relatively low population density and weak infrastructure – and the constraints related to characteristics of north-east Brazil – need further innovation, in terms of both institutions and technologies.
21. **Meeting with Ceará state government officials and the Bank of the North-East of Brazil.** On their return to Fortaleza, members of the Evaluation Committee met with the senior officers of the secretariats of the Ministries of Planning, Budget and Management and of Agrarian Development. The Committee noted an interesting observation by the Deputy Secretary for Planning that successful poverty reduction programmes such as the DHCP have led, inter alia, to a reverse migration from cities to rural areas. It also noted the intention of the state government to emphasize a reduction of dependence on handouts for reducing poverty by establishing a sustainable path for rural development – as well as the urgency of productively involving youth in the rural economy. A short presentation was made at this meeting on a new project in the design phase that will seek IFAD financing.
22. In its meeting with the BNB, the Committee had an opportunity to learn about the bank's current operations in some detail. A discussion of how the bank has learned from past credit programmes and devised a new credit scheme was of particular interest. Discussions centred on the issues of yearly fluctuations in the number of beneficiaries, the repayment period and performance, interest subsidies, the overhead costs of managing the credit programme, the need to continue technical assistance, for example through the DHCP, especially in building the financial management capacity of family farmers, the need to "activate" households that have defaulted on past loans, etc.

23. **Conclusion and recommendations.** Following the discussion with state government officials, the Committee held a substantive meeting in which IFAD staff were also invited to express their views. Following are the salient points that emerged from this discussion.
- (a) In this visit, the Committee had the opportunity to discuss the issue of rural poverty reduction at all levels: federal, state, community, group and household. It noted the consistency across all levels between family farming policies and the programmes and community initiatives that sustained them. The DHCP has been successful in demonstrating that such close links produce tangible and positive results.
  - (b) The Committee found the achievement of the DHCP very impressive – and the efforts of IFAD, the Government of Brazil and other in-country stakeholders highly commendable. It also noted the need to work further on ensuring the sustainability of project benefits, so that the assisted families do not slide back into poverty. Given this, political commitment in Brazil to addressing rural poverty is high, institutional capacity commendable, and the results achieved impressive. This goes a long way towards sustainably reducing rural poverty.
  - (c) IFAD's global experience in rural poverty reduction is of great relevance to Brazil, and there is clearly a demand in Brazil for sharing such experience. In turn, Brazil's enabling public policies for eliminating extreme poverty, the experience it has gained through highly successful projects such as the DHCP – which carry very significant learning potential to countries in similar situations – are of value to IFAD and the larger development community. Such potential for knowledge-sharing is consistent with the commitment of Brazilian authorities to engage in South-South cooperation.
  - (d) During the visit, IFAD reaffirmed its commitment to working more intensively at knowledge sharing either directly with its Member States or by facilitating South/South cooperation. IFAD's country presence carries a special significance in Brazil, given the size of the country and the stratification of the society, attributable mainly to distributional inequality.
  - (e) The Committee noted with satisfaction the reconfirmation of IFAD's added value in Brazil and that it has a distinct role to play – in supporting an enabling public policy setting in which to tackle rural poverty, and in ensuring a high leverage factor in mobilizing local resources for the purpose (Brazil's participation in total project costs is very high), which the Committee noted will be maintained. The Committee also felt that the fruitful partnership between Brazil and IFAD can be further strengthened by an active participation of Brazil in the Ninth Replenishment exercise. In essence, committee members received a loud and clear message that IFAD has an important role to play in middle-income countries.
  - (f) Finally, yet importantly, the Committee noted that the IFAD team was well assimilated and that IFAD was a highly appreciated partner in Brazil. The Committee commended the organization of the visit, in terms of both the content and the logistics.
24. The Evaluation Committee wishes to express its deep appreciation to the Government of Brazil for kindly agreeing to host the Evaluation Committee's 2011 annual country visit and for providing excellent support in making this visit a remarkable success.

## Terms of reference for 2011 Evaluation Committee annual country visit to Brazil

### Background

In line with its terms of reference and rules of procedure, the IFAD Evaluation Committee (EC) decided at its 66th session in March 2011 that it would undertake its 2011 annual country visit to Brazil. Prior visits of the Committee since 2000 took place in Syria, Indonesia, Mexico, Mali, the Philippines, India and Mozambique. Current members of the EC include Burkina Faso, Canada, France, Indonesia, India (Chair), Ireland, Mexico, the Netherlands and Nigeria.

### Overall Objective

To gain knowledge and experience of IFAD's work in the field. In doing so, the EC will be able to provide general guidance related to evaluation matters to the Executive Board, Management and the Independent Office of Evaluation (IOE) on a more informed basis and be more competent in its duties.

### Objectives

1. The main objective of this Annual Country visit is the field trip to the State of Ceará as well as to hold discussions with a cross section of in-country partners. During the field trip, the EC will visit selected villages covered under the Sustainable Development Project for Agrarian Settlements in the Semiarid Northeast, otherwise known as the "Projeto Dom Helder Câmara"; the EC will seek information on the participation of beneficiaries in planning, programming, monitoring, reporting and evaluation of the Programme and on their views on future approaches. This project was evaluated by IOE in 2010 and the Agreement at Completion Point has already been agreed and signed by IFAD Management and the federal government representatives.
2. Members of the EC will also participate in the informal workshop on Public Policy for Family Farming, with participation of Brazilian experts and sharing of the lessons learnt from the work undertaken by IFAD.
3. Members of the EC also want to learn from the federal government of Brazil and the government officials of the State of Ceará, including partners such as EMBRAPA and CONSEA-CONAB who are closely related to the IFAD Country Program, what their role is in the planning, programming, monitoring, reporting and evaluation and their contributions to it. Members will also hold discussions with selected multilateral and bilateral aid agencies working in agriculture and rural development in Brazil.
4. The EC, through its chair, will report to the Executive Board from its experience during the Annual Country visit on its findings regarding the work and processes and give recommendations to IFAD Management and IOE for future field visits regarding the scope, content and logistical aspects.

## IFAD EVALUATION COMMITTEE FIELD TRIP TO BRAZIL PROGRAMME OF WORK

(29 May to 3 June 2011)

DAY	ACTIVITY/PROGRAMME
<b>Sunday , 29 May</b>	
	Departure of EB members and IFAD staff to Brasilia. Schedule suggested: via Lisbon
	Arrival to Brasilia Accommodation: Hotel Metropolitan Flat (to be confirmed)
	Orientation session for the whole workshop
	Dinner
<b>Monday, 30 May</b>	
	Meeting with: <ul style="list-style-type: none"> <li>- Mr. Carlos Vidotto, Sec. of Foreign Affairs. Min. of Planning, Bemvindo Belluco, Deputy Secretary of Foreign Affairs</li> <li>- Mr. Souza, Secretary, Ministry of Agrarian Development (MDA)</li> </ul>
	Lunch
	<b>Roundtable: Public Policies for Family Farming in Brazil</b> <ul style="list-style-type: none"> <li>- MDA, Mr. Laudemir Muller, Secretary for Family Farming: Governmental overview</li> <li>- Chairman, Evaluation Committee, IFAD</li> <li>- CONSEA-CONAB: food security policies</li> </ul>
	Coffee break
	<b>WORKSHOP: Public Policies for Family Farming in Brazil</b> <ul style="list-style-type: none"> <li>- EMBRAPA, F. Reifschneider: agricultural research policies for family farming</li> <li>- REAF, Álvaro Ramos: Policy Dialogue in the Southern Cone of South America</li> </ul>
	Launch of the "Knowledge Management in the Semiarid Northeast of Brazil Programme" , IFAD, AECID, IICA
	Cocktail
<b>Tuesday, 31 May</b>	
	Departure to Fortaleza
	Check in and lunch Hotel Luzeiros
	<b>WORKSHOP: Dom Helder Câmara Project</b> <ul style="list-style-type: none"> <li>- Espedito Rufino, Project Director: Implementation experience, project overview and main results</li> </ul>
	Coffee break
	<b>WORKSHOP: Dom Helder Câmara Project</b> <ul style="list-style-type: none"> <li>- Ashwani Muthoo, Deputy Director, Independent Office of Evaluation: Main findings, conclusions and recommendations of the Project Evaluation</li> </ul>
<b>Wednesday, 1 June</b>	
	Travel from Fortaleza to the project area in the Sertão Central region of the State of Ceará (3 hours)



<b>DAY</b>	<b>ACTIVITY/PROGRAMME</b>
	Lunch
	Field visit
	Overnight in Sertão Central
<b>Thursday, 2 June</b>	
	Field visit
	Lunch
	Field visit
	Return to Fortaleza (3 hours)
	Arrival to Fortaleza, hotel accommodation (Hotel Luzeiros) and overnight
<b>Friday, 3 June</b>	
	Meeting with Ceará Government Officials: <ul style="list-style-type: none"> <li>- Secretariat of Planning: Eduardo Diogo, Secretary; Philippe Nottingham, Deputy Secretary; Mario Fracalossi, Technical and Financial Cooperation Coordinator</li> <li>- Secretariat of Agrarian Development: Nelson Martins, Secretary; Amorim Rodrigues, Deputy Secretary</li> </ul>
	Lunch
	Departure of EB members and IFAD staff to Rome and other destinations. Schedule suggested: via Lisbon
<b>Saturday, 4 June</b>	
	Arrival to Lisbon and connecting flights