



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
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PROGRAMME OF WORK AND BUDGET OF IFAD FOR 1999

ADDENDUM

This addendum complements the Programme of Work and Budget of IFAD for 1999 (document EB 98/65/R.5) and presents in a tabular form the substantive elements of the five regional strategies. This overview presentation of the regional strategies is a summary of the more elaborate regional strategies underlying the 1999 Programme of Work and Budget (document EB 98/64/R.5: Preview of the Programme of Work and Budget of IFAD for 1999). These regional strategies are based on an increasingly strong process of country strategy articulation, in line with the evolving Corporate Strategy.

OVERVIEW OF THE REGIONAL STRATEGIES FOR 1999

	WESTERN AND CENTRAL AFRICA	EASTERN AND SOUTHERN AFRICA	ASIA AND THE PACIFIC	LATIN AMERICA AND THE CARIBBEAN	NEAR EAST, NORTH AFRICA, AND EASTERN AND CENTRAL EUROPE
SOCIO-ECONOMIC TRENDS	<ul style="list-style-type: none"> • Improvements in macroeconomic and sectoral incentives framework. • The 1994 CFA franc exchange rate adjustment created economic and agricultural stimulus. • Opportunities created by structural adjustment, market liberalization and decentralization of decision-making. • Notable recovery in per capita income growth, agricultural growth and rural poverty eradication. • Benefits not evenly distributed, and rural poor need targeted investments. • Some countries still affected by economic, social and political dislocation, and require special efforts. • Arrears remains an issue, but the international debt initiative will provide relief. 	<ul style="list-style-type: none"> • Relative calm, except for border problems in the Horn of Africa. • Structural adjustment has given way to continuous adjustment and liberalization. • Distortions of pricing and foreign exchange regimes have been eliminated or reduced, and farmers sell at fair prices, can save and invest. • The poor have no linkage to markets, government services have withered away and the private sector is reluctant to invest. • The poor cannot grasp opportunities resulting from economic liberalization. • The natural resources endowment determines IFAD's strategic approach. 	<ul style="list-style-type: none"> • The financial crisis increased rural poverty through loss of urban employment and increased prices of agricultural inputs, food and other essential commodities. • Social unrest. • Countries in southern Asia with greatest concentration of poverty, though not affected by the financial crisis, have also experienced slowdown in economic growth. • Smallholder farmers and landless constitute the bulk of the rural poor. • The impact of <i>El Niño</i>. • Indigenous people and ethnic minorities are poor, have low literacy rates and poor health conditions and are environmentally vulnerable. • Women and women-headed households are disadvantaged in terms of access to resources and income. 	<ul style="list-style-type: none"> • Poverty is widespread, irrespective of countries' level of per capita income. • Growth has not reduced aggregate poverty levels or the number of poor. • Rural poverty is heterogeneous and includes small-scale family producers (the main category), landless peasants, indigenous ethnic communities (requiring instrumentalities that are culturally sensitive), artisanal fishermen, and women-headed household. • Main problem is no longer food production, but diversification of agricultural production, environmental sustainability and secure sources of income. • Only small fraction of rural poor are among viable small farmers, but large share of rural poor cannot be helped with land-based production-oriented projects. • Low educational and technical levels constrain entry of rural youth in urban labour markets. 	<ul style="list-style-type: none"> • In Near-East and North Africa: declining rates of economic growth per capita; civil strife and disorder in some countries. • In Eastern Europe and the Former Soviet Union: continued decline of per capita GNP; the rural poor are affected by the withdrawal of the State from investment in production and provision of basic social services; the ability of rural people to benefit from privatization and to enter the market is highly variable.



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OPPORTUNITIES FOR IFAD	<ul style="list-style-type: none"> • Promote rural financial services, with a rural finance systems development approach. • Support capacity-building for decentralized decision-making and for participatory rural development. • Strengthen natural resources management, focusing on anti-desertification. • Ensure target group participation in defining project objectives and priorities. • Use local knowledge. • Foster the strategic orientation of investments through collaboration with governments, civil society and donors. • Ensure that interventions fit into countries' economic and sectoral development strategies. 	<ul style="list-style-type: none"> • Make the opportunities created by liberalization accessible to the rural poor through participatory community organization, and mobilization of capital and technologies to make them internationally competitive. • Foster the linkage of the smallholders to the market economy on the basis of the association between smallholders and private sector operators. • Combine foodcrop support with assistance to cash crops. • Put accent upon development within organizations managed by and answerable to smallholders to ensure equitable relations with formal-sector operators. • In marginal areas, diversify resource use, strengthen natural resource management and optimize local resource use for enhanced food security and reduced drought vulnerability (linked to CCD). • In higher potential areas, assist smallholders to establish a competitive position in deregulated and commercializing agricultural subsectors by increasing productivity of higher-value crops through intensification, and through institution building for smallholder organizations for trade and financial services, linking 	<ul style="list-style-type: none"> • Address impact of the financial crisis on the rural poor. • Address the impact of <i>El Niño</i> through strategic focus on rainfed agriculture and special crops grown by the poor in marginal areas, especially through watershed management. • Address the marginalization of vulnerable ethnic minorities and tribals by creating income-generating opportunities and rural infrastructure. • Address the marginalisation of women by enhancing access to productive resources and technology, and by ensuring that they have more control over their incomes. • Intensify participatory approaches and strategy of empowering local communities and allow them greater control over resources that traditionally belong to them. • Link local communities to markets. • Support transfer of productive resources (e.g., land), small-scale rural enterprise development, skills development and financial services. • Act as advocate and resource mobilizer for health and education investments use grass-roots experience to promote regional and 	<ul style="list-style-type: none"> • Economic and institutional changes resulting from structural adjustment, liberalization, privatization, decentralization, regional integration and globalization, generate opportunities. • Governments have lagged behind in dealing with the social consequences of economic reform: peasant farmers with inadequate land and skills have been prematurely exposed to competitive regional markets, which increased poverty. • Test innovative approaches linked to the ongoing processes of institutional change; and to endogenous rural development processes. • Improve institutional sustainability of projects through beneficiary participation; work with grass-roots organizations; link with governments' anti-poverty programmes; and by relating to decentralization processes. • Support indigenous people of the Amazon Basin, Andean region and Mesoamerica region in their efforts towards self-development, including the management of their own resources. • Support artisanal fishermen and aquaculture development. • Promote a policy dialogue to facilitate the access of peasant groups to subregional free trade. 	<ul style="list-style-type: none"> • In Near-East and North Africa: exploit opportunities to overcome natural resource constraints; work on soil and water conservation problems in rainfed areas; focus on community management of common property resources; diversify economic activity towards microenterprises; promote rural financial services. • In Eastern Europe and the former Soviet Union: facilitate production by the poor farmers and rural entrepreneurs in a market environment; focus on rural financial services to raise level of capital available for on-lending through savings mobilization.



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OPPORTUNITIES FOR IFAD (cont'd)	nbv	to formal sector institutions. <ul style="list-style-type: none"> • Reduce transport and handling charges for agricultural goods. • Exploit opportunities offered by regional integration in foodcrop trading. • Promote rural finance. 	national-level change in favour of the rural poor.	<ul style="list-style-type: none"> • Strengthen capacity for providing financial services to the rural poor. • Promote gender-responsiveness through training and adequate project planning. 	
OPERATING STRATEGIC DIRECTIONS	<ul style="list-style-type: none"> • Maintain regional lending levels and outreach. • Pursue arrears settlement arrangements. • Foster strategic partnerships with cofinanciers. • Ensure beneficiary participation in programme planning. • Establish and use knowledge networks on rural poverty (desertification, rural finance). • Support agronomic research programmes for yams. • Improve project implementation on-the-ground through active portfolio management. • Ensure staff training in loan administration, participatory project design, rural finance, environment. 	<ul style="list-style-type: none"> • Empower the poor through targeted delivery of assets and through capacity-building of viable smallholder organizations for providing services on a commercially sustainable basis. • Support the democratization and decentralization process, and ensure participation of the poor in local public sector planning. • Expand cofinancing to enhance international funding for smallholder agriculture. • Promote strategic partnerships with donors and governments through policy dialogue on smallholder constraints, and through joint field operations. 	<ul style="list-style-type: none"> • Promote beneficiary participation in project design and implementation through pre-formulation workshops with all stakeholders and through participatory monitoring and evaluation. • Ensure effective portfolio management through local capacity-building, strategic action-research during implementation and workshops. • Establish knowledge networks by linking projects to each other for sharing ideas and experience. • Strategic alliances to establish trust funds targeting the poor and food-insecure households. 	<ul style="list-style-type: none"> • Improve implementation and performance of the portfolio by making better use of country-specific knowledge. • Strengthen the quality of non-lending services, including: dissemination of best practices; linking clients to knowledge networks; and grant-funded pilot operations to test approaches for rural poverty eradication. • Encourage experimental and innovative programmes. • Foster partnerships and build alliances. 	<ul style="list-style-type: none"> • Ensure beneficiary participation in implementation planning through NGO/ECP grants and through a technical assistance grant for the development of common interest grass-roots organizations. • Strengthen portfolio management through two subregional project implementation workshops; and through the promotion of the Project Management Information System. • Maintain lending levels. • Expand IFAD's outreach through cofinancing. • Establish IFAD as a knowledge organization through the creation of the Consultative Group for Poverty Alleviation in Arab Countries.

Source: Table produced on the basis of document EB 98/64/R.5: Preview of the Programme of Work and Budget of IFAD for 1999.

