



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Governing Council – Twenty-Fifth Session

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INFORMATION NOTE ON THE *RURAL POVERTY REPORT 2001*

1. In accordance with the request of the Executive Board at its Sixty-Sixth Session for regular reports on the progress of activities leading to the publication of IFAD's Rural Poverty Report, information notes were presented to the Sixty-Seventh, Sixty-Ninth, Seventy-First and Seventy-Second and Seventy Fourth Sessions of the Executive Board and to the Fourth Session of the Consultation to Review the Adequacy of the Resources Available to IFAD.
2. The attached document, which provides a final report on the technical assistance grant for the Programme of Activities Leading to the Publication of IFAD's *Rural Poverty Report 2001* (hereafter Rural Poverty Report) and the follow-up of the report since its publication in February 2001, is presented to the current session of the Governing Council for information.



I. INTRODUCTION

1. In approving, at its Sixty-Sixth Session in April 1999, a technical assistance (TA) grant for the Programme of Activities Leading to the Publication of IFAD's *Rural Poverty Report 2001*, the Executive Board requested regular reports on the progress of activities envisaged under the grant. This information note provides an overview of all the activities undertaken for the publication, launching and the post-launching of the Rural Poverty Report.

II. PREPARATION OF IFAD'S RURAL POVERTY REPORT

Phase I

2. The first phase started in April 1998 with an IFAD-initiated in-house/external consultation to define the focus and scope of the programme. This phase involved preparing a concept note and an internal paper on poverty issues and IFAD's past operational experiences in rural poverty eradication. This was followed by the preparation of an issues paper by the Poverty Research Unit at Sussex University in the United Kingdom, in consultation with IFAD, for presentation to a brainstorming workshop in October 1998. A report on the first phase was presented to the Sixty-Sixth Session of the Executive Board.

Phase II

3. Phase II was initiated with the approval of the above-mentioned TA grant proposal. Shortly after approval, IFAD appointed Professor Michael Lipton of the Poverty Research Unit at Sussex University as the lead scholar. From April to July 1999, the regional divisions prepared five regional assessments with the objectives of: (a) capturing the trends in rural poverty in the five IFAD regions; (b) identifying regional variations in rural poverty eradication programmes; (c) synthesizing operational and external knowledge; and (d) reaching an understanding on the Fund's options and opportunities for rural poverty eradication in the near future.

4. A workshop was held at IFAD on 26 and 27 July 1999 to present the first results of the regional assessments to IFAD staff members. The objective of the workshop was to assess the findings of the assessments, provide feedback to the authors of the studies for revision, consider the main issues raised from the perspectives of the regions, synthesize the information contained therein and derive specific themes for further in-depth studies. The workshop also considered the outline of the thematic studies. From the wide variety of issues discussed during the two-day workshop, four themes were identified: access to assets; technology and agricultural transformation; institutions (with a specific focus on rural finance institutions); and access to markets in the context of globalization.

5. Theme leaders were chosen for each identified theme (Lawrence Haddad and Peter Hazell of the International Food Policy Research Institute in Washington, D.C.; Siddiqur Osmani from the University of Ulster, Belfast; and Anthony Killick from the Overseas Development Institute, London). A two-day workshop was conducted in September 1999 to examine terms of reference and to discuss preliminary outlines of the thematic studies. The thematic studies were then prepared under the guidance of the theme leaders and were presented in a two-day workshop in January 2000. This synthesis workshop – with over 80 participants, including academics; development practitioners from sister organizations, bilateral partners and civil-society organizations; members of the Executive Board; and a large number of IFAD's operational staff – was the point of departure for the drafting of the Rural Poverty Report. A major outcome of the workshop was a preliminary outline for the report.



6. From February to August 2000, the report was drafted and an extensive internal and external review process took place. In September 2000, IFAD received the final draft of the report from the Poverty Research Unit at Sussex University, after which a substantial in-house editing and revision process took place. The final report was submitted in November 2000 to Oxford University Press for printing.

7. Already during the preparation phase, the Rural Poverty Report received remarkable attention from IFAD's partners. In September 2000, the Fund was invited by the Food and Agriculture Organization of the United Nations (FAO) to give a presentation on the preliminary results of the report to the Committee on Food Security. Preliminary results were also presented during a roundtable discussion of the United Nations Development Programme (UNDP) on *Pro-Poor Growth: The Role of Inequality*. In November 2000, in collaboration with the Government of Japan and the United Nations University, IFAD organized a discussion forum in Tokyo on *Rural Poverty Eradication in the 21st Century: The Challenges and Opportunities*.

III. IFAD PUBLIC LECTURES

8. Parallel to the preparation of the Rural Poverty Report, IFAD initiated a series of public lectures to draw attention to rural poverty and to reach an audience beyond the development community. In all, six lectures were delivered during 2001:

- Senator Sartaj Aziz of Pakistan, on *The Unfinished Task of Eradicating Rural Poverty*;
- Professor M.S. Swaminathan, former Director of the International Rice Research Institute (IRRI), on *Community-Led Approaches to Ending Food Insecurity and Poverty* in September 2000;
- Mr Harris Mule, an economist from Kenya, on *Institutions and their Impact in Addressing Rural Poverty in Africa*;
- Professor Ravi Kanbur, Lee Teng-hui Professor of World Affairs at Cornell University, Ithaca, United States, on *Economic Policy, Distribution and Poverty: The Nature of Disagreement* in January 2001;
- Mr Raúl Jungmann, Minister of Agrarian Development of Brazil, on *Agrarian Development and Rural Poverty Eradication in Brazil*; and
- Professor Rehman Sobhan, Head of the Centre for Policy Dialogue in Dhaka, Bangladesh, on *Eradicating Rural Poverty: Moving from a Micro to a Macro Policy Agenda*.

The lectures were organized on World Food Programme (WFP) and FAO premises to signal the partnership among the Rome-based agencies and the mutual agreement to work together to fight hunger and poverty in the world.

9. The feedback received on the organized lectures was extremely positive and encouraged the Fund to consider continuing this initiative beyond the publication of the Rural Poverty Report.

IV. LAUNCHING AND POST-LAUNCHING EVENTS

10. A third phase of the programme started with the official launching of the Rural Poverty Report. During the Seventy-Second Session of the Executive Board in April 2001, an information note (EB 2001/72/R.32) was presented to the Executive Board providing full details of the launching activities of the report. The information note mainly covered the month of February 2001. It was noted that the Rural Poverty Report was launched on 5 February 2001 in New York by the Secretary-General of the United Nations, Mr Kofi Annan, and had thereafter been presented in Washington,



D.C., London and Stockholm. Discussion meetings and seminars were also held in Berne, Eschborn, Paris and Sussex.

11. Following the initial launching activities during the month of February 2001, a series of presentations were made at various fora to highlight the main messages of the Rural Poverty Report, solicit views on the main hypotheses and to chart a longer-term course for following up on the outcomes of the report and the views expressed. The main follow-up activities during 2001 are summarized in the box below.

Rural Poverty Report: Launching and Post-Launching Activities in 2001-2002

EVENTS	DATE	PRESENTATIONS
UNITED STATES New York: Launching of the Rural Poverty Report by Mr Kofi Annan, Secretary-General of the United Nations	5 February	President of IFAD; Ambassador H. Holkeri, President of the Fifty-Fifth Session of the United Nations General Assembly; and IFAD delegation
New York: Presentation at a reception	5 February	President of IFAD; Mr N. Desai of the United Nations Department of Economic and Social Affairs (UN-DESA)
New York: Presentation at the United Nations Economic and Social Council (ECOSOC), United Nations Headquarters	6 February	President of IFAD and Mr G. Howe
New York: United Nations Non-governmental Liaison Service (NGLS) Committee Briefing, United Nations Headquarters	6 February	Mr J.-L. Lawson
Washington, D.C.: Washington Press Club	7 February	President of IFAD and IFAD Delegation
Washington, D.C.: Presentation at Citizens Network on Foreign Affairs (CNFA) and the United States Chamber of Commerce	7 February	Mr G. Howe
Washington, D.C.: Woodrow Wilson Center Auditorium	7 February	President of IFAD; Ambassador G. McGovern; Prof. J. Mellor; and others
Washington, D.C.: Seminar at the International Food Policy Research Institute (IFPRI),	8 February	Vice-President of IFAD and Mr A. Rahman
SWEDEN Stockholm: Launching of Rural Poverty Report	12 February	President of IFAD and Ms M.-I. Klingvall, Swedish Minister for International Development Cooperation
FRANCE Paris: Presentation of the Rural Poverty Report to the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD)	13 February	Vice-President of IFAD and Mr A. Rahman
UNITED KINGDOM London: Launching of Rural Poverty Report	15 February	President of IFAD and Ms C. Short, Secretary of State for International Development
Sussex: Seminar with the Department for International Development (DFID) and the University of Sussex, England	16 February	Vice-President of IFAD and IFAD delegation
PORTUGAL Lisbon: Presentation at the meeting organized by the Government of Portugal's <i>Instituto de Financiamento e Apoio ao Desenvolvimento da Agricultura e das Pescas</i> (IFADAP-ADAP) on the cooperation between IFAD and Portugal	12 February	Mr K. van de Sand
ITALY Rome: Press Conference in <i>Stampa Estera</i>	19 February	IFAD delegation



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EVENTS	DATE	PRESENTATIONS
UNITED STATES Washington, D.C.: World Bank. Presentation during the Rural Week 2001	23-27 April	IFAD Delegation
ITALY Rome: Presentation to FAO Staff	27 April	Vice-President of IFAD and Mr A. Rahman
BELGIUM Brussels: The Third United Nations Conference on the Least Developed Countries	15 May	President of IFAD
GERMANY Eschborn: Presentation at the German Agency for Technical Cooperation (GTZ) and the German Credit Institution for Reconstruction (KfW)	21 May	President of IFAD and Mr K. van de Sand
Berlin: Press conference	22 May	President of IFAD and Mr K. van de Sand
SAUDI ARABIA Jeddah: Official visit	4-7 June	President of IFAD
ITALY Rome: Towards Genova: Public Forum	27 June	Mr A. Rahman
INDIA Delhi: Discussion on Regional Poverty Assessment Report, Asia	23-24 August	Mr P. Roy, Mr A. Rahman, Mr G. Thapa and Ms V. Altarelli
UNITED KINGDOM Sussex: Wilton Park Conference on Poverty Eradication	6 September	Vice-President of IFAD
GERMANY Bonn: 2020 Conference with IFPRI	4-6 September	Mr K. van de Sand and Mr R. Cooke
NICARAGUA Managua: Discussion on Regional Poverty Assessment Report, Latin America and the Caribbean	25-27 September	Ms R. Peña-Montenegro and others
CANADA Ottawa: Stakeholders Meeting on the Rural Poverty Report	18 October	President of IFAD, Mr B. Moore and Mr R. Cassani
SWITZERLAND Bern: Swiss Agency for Development and Cooperation (SDC), IFAD and Intercooperation seminar on <i>Reduction of Poverty: The Role of Rural Development</i>	23 October	President of IFAD, Mr L. Lavizzari, and Mr A. Rahman
INDIA Jaipur: Asian Development Bank Institute (ADB) and IFAD Capacity-Building Workshop on <i>Rural Poverty Reduction in South East Asia – Rural Growth as a Key to Urban Peace</i>	29 October– 3 November	Mr A. Rahman, Mr G. Thapa and Ms V. Altarelli
UNITED STATES New York: UN-DESA: Expert Group Meeting on Globalization and Poverty Reduction	8-9 November	Mr A. Rahman
ROMANIA Bucharest: IFAD Regional Rural Poverty Assessment and Strategic Opportunities	11-12 December	IFAD delegation
SENEGAL Dakar: Presentation of the Regional Poverty Assessment Report of the West and Central Africa Region	13-14 January 2002	President of IFAD, Mr M. Béavougui, Mr A. Rahman, Mr D. Kingsbury
FRANCE Paris: Presentation of the main findings of the <i>IFAD's Rural Poverty Report 2001</i> and exchange of views on contemporary issues	18 January 2002	President of IFAD, Mr M. Béavougui, Mr A. Rahman, Mr M. Manssouri



Media Coverage

An active media campaign was also initiated at the time of the launching of the Rural Poverty Report on 5 February 2001. Hoffman and Hoffman, the media consultants, were engaged to support this activity in North America; IFAD's Media Unit supported the campaign in Europe.

A press release was prepared for distribution to the world media. A 10-minute video roll was prepared with messages from the Rural Poverty Report mixed with images from the field as well as interviews of the President, the Vice-President and other staff members of IFAD. Interviews with the Cable News Network (CNN) and the British Broadcasting Company (BBC) were carried in the entire CNN and BBC network. Regional language interviews by IFAD staff members were also carried to the respective regions. TV Globo carried IFAD in its regional network in Latin America. Local language interviews were given for BBC regional programmes. Press conferences in regional languages were given at *Stampa Estera* in Rome.

Distribution of the Report

The Rural Poverty Report was widely distributed. Distribution copies were sent to reputed journals for review, and a couple of favourable reviews have been published. A total of 5 000 copies have already been distributed. These were given out during launching activities, but a large number were sent by mail to IFAD contacts (academicians, non-governmental organizations (NGOs), etc.) in different countries.

12. Mostly demand-responsive, these post-launching activities provided a good basis for reviewing various global issues relating to poverty, particularly rural poverty eradication and the linkages between these issues and the Millennium Development Goals (MDGs) adopted at the Millennium Summit in September 2000. These activities also suggested ways for using the Rural Poverty Report strategically to generate greater awareness on the importance of rural and agricultural development efforts to reach poverty reduction targets in a sustainable manner.

V. RURAL POVERTY ISSUES

13. The formal and informal discussions during the preparation of the report, the launching events and the various discussion fora have been extremely rich and thought-provoking. Among the various issues raised and discussed, many clearly deserve additional work and further elaboration. Numerous development organizations, practitioners and academics have encouraged IFAD to continue to raise issues on rural poverty eradication and to consider the Rural Poverty Report as the starting point of a fruitful process and not its end.

14. The Fund is committed to pursuing further the following issues, which received particular attention during the discussions.

Millenium Development Goals

15. In many fora, the issue of achieving the MDGs by 2015 initiated a lively and animated debate. Many participants, including IFAD staff, raised doubts that these targets could be achieved given the current level of official development assistance (ODA). Others expressed concerns that this pessimism might undermine political efforts to mobilize additional resources for poverty eradication. Nevertheless, there was broad agreement that enhanced support to agriculture and rural development is essential to achieve the 2015 targets, since poverty is largely a rural challenge. It was also noted



that monitoring of achievements, with a particular focus on the reduction of rural poverty, will be critical to ensure the attainment of MDGs by 2015.

Institutions and Empowerment

16. It was felt that IFAD could have elaborated more on the macro-micro linkages, particularly on the role of governments. The discussion on power relationships was broadened by the recognition of a new dimension in development, responsible for a great loss of livelihoods – poverty and conflicts. Concerning the role of institutions it was mentioned that institutions would favour the rural poor and women only when the rural poor and women control institutions, or at least significantly influence them to respond to their needs. Changing the institutions will have as much effect as massive physical input. Many participants raised the issue of government accountability to the people. Cooperatives, labour unions, saving organizations, community-based organizations (CBOs) and NGOs are important for internal democratization but need improved management capabilities and outreach to the poorest. Participants urged the development community to strengthen its commitment to deal directly with people's organizations.

Non-Farm Activities

17. Many participants felt that the Rural Poverty Report could have focused more on non-farm activities, especially because of the crucial role they play in driving development in poor countries. It was underlined, however, that non-farm activities can lead to an increase in inequality, which calls for enhanced government interventions. Also, agricultural development and the role of non-farm activities need to be discussed in the context of other sectors. Agricultural development should not be separated from the overall national framework, but should be promoted together with rural non-farm activities to reap the benefits of the close link between the two.

Land Reform

18. Land reform and related issues received much attention during the discussions. Most participants considered land reform as an extremely efficient instrument for poverty reduction, provided that a careful analysis of the conditions precede a reform (e.g. the degree of democratization of the rural areas). Land distribution is often the result of inherited market, social and political structures. Some participants did not share IFAD's optimistic opinion about market-based land reforms, arguing that successful land distribution has been top-down and confiscatory. At the same time, the political climate in many countries now precludes this kind of land reform; future land reforms need to be market-driven and consensual. The cost of land reforms was also discussed at length during the fora. Large-scale land redistribution would require enormous amounts of resources given the steep increases in the price of land that have occurred in the past 15-20 years. The participants agreed that in most cases the quality of governance is more important than foreign aid for land reform.

Globalization and the Role of Markets

19. Scepticism was expressed about the capacity of markets to 'solve' poverty problems. Many participants pointed out that inequality often increases following the introduction of a market economy and that government interventions are sometimes necessary to make markets work in favour of the poor. The issue of globalization and its consequences for the rural poor (particularly the growing inequality and the increased vulnerability of the rural poor to economic shocks) was consistently a major topic of discussion. Attention also focused on ways of enhancing the bargaining power and negotiating capacity of poor countries so that they can obtain a better deal in international negotiating fora.



Women in Development

20. In general, the audience appreciated the problem-oriented approach of the Rural Poverty Report and the fact that gender issues are integrated in the discussion and not segregated in a single chapter. It was noted that greater efforts are needed to counter the major discrimination that still exists against women in development. For example, even though women in Africa produce 80-90% of food staples, only 4% of the extension workers are women. Strategic gender interventions are also needed to improve the position of women within the household. Gender relations affect households both as consumption units and as productive units. It was emphasized that women as agents of change will not only affect households but also the functioning of societies.

Financing Development

21. Many participants noted with concern the decline in ODA, and the fact that most international development and financing institutions and bilateral donors have reduced lending for rural and agricultural development. This has obviously had an adverse impact on poverty reduction in rural areas. While governments could adopt innovative approaches to raise additional resources, it is also important that they allocate more domestic resources for rural and agricultural development.

Human Rights

22. In various meetings it was noted that the language of the Rural Poverty Report could have had a greater human rights orientation in addressing rural poverty issues. This was particularly the case for the right to food.

Absorptive Capacity of Developing Countries

23. The absorptive capacity of developing countries was also a prominent issue in discussions. Competing programmes and duplication of efforts are major obstacles to effective and efficient development processes. In this context, all development partners in OECD countries need to consider adopting agricultural policies that are more pro-poor. High government subsidization of agriculture is counterproductive to efforts to increase agricultural production in developing countries. All development efforts and resources will not have the expected effect if the developed countries do not follow a comprehensive development approach, taking into account the effects of domestic decision-making processes in a globalized world.

Social Capital

24. The audience in many meetings felt that the Rural Poverty Report could have focused more on social capital. Some criticism was directed towards the more traditional approach of discussing human assets (education, health). Some participants felt that social capital, indigenous knowledge and labour issues have not received the attention these issues deserve.

Global Public Goods

25. Some participants, particularly those from civil society, expressed concern that the policy environment in the industrialized world is not supportive of the commitments made by these countries in global fora. One reason, it was argued, is the inadequate appreciation of poverty reduction as a global public good. Therefore, the financial instruments of industrialized countries should recognize the importance of poverty reduction as such and allocate resources to avoid the public ills that would follow from undiminished poverty.



VI. THE FOLLOW-UP TO THE *RURAL POVERTY REPORT 2001*

26. In recognition of the need to develop a longer-term focus for using the analysis in the Rural Poverty Report as a platform for rural poverty reduction efforts in accordance with the strategic framework that IFAD is currently formulating, an informal roundtable meeting was organized at IFAD on 29 June 2001. The meeting was attended by representatives from FAO and WFP, some invited academics and IFAD staff. The discussion resulted in some suggestions concerning the follow-up to the Rural Poverty Report. These suggestions formed the basis of a proposal that is currently under review within IFAD.

27. The main elements of this proposal can be summarized as follows:

- (a) IFAD's Rural Poverty Report generated greater awareness of and concern for the need to emphasize rural and agricultural development as a basis for the sustainable reduction of both rural poverty and overall poverty.
- (b) While internationally there is consensus to prioritize poverty reduction but as yet no agreement concerning operational activities, IFAD could play a key role in promoting greater understanding of the operational issues based on its activities in the field. In this exercise, it could use both the Rural Poverty Report and the regional poverty assessment reports (which are at various stages of completion).
- (c) It is, however, necessary to link possible follow-up activities to the overall strategic focus and direction of the Fund in the coming years as set forth in the Strategic Framework 2002-2005.
- (d) Follow-up activities will also need to be linked to the overall capacity and resources that the Fund can devote towards this end, without compromising its lending activities in support of poverty reduction projects and programmes.
- (e) The publication of the Rural Poverty Report should not be viewed as a one-time event, but as part of a continuum of the Fund's efforts to refine its focus on poverty issues. The report should be updated after a reasonable period of time to capture the dynamics of international development efforts as well as the Fund's own internal dynamics.
- (f) In the next few months, the findings of the regional assessments and the report will be presented in the five IFAD regions through discussion groups, awareness-raising and capacity-building activities. The regional assessment reports will be the main vehicles for launching discussions in the region, within the overall framework of the Rural Poverty Report.
- (g) Where possible (staff, finance and time permitting), short discussion and awareness-raising meetings will be organized at the country level to focus on operational issues in relation to the overall poverty reduction framework.

28. The above activities will require separate funding. The Government of Sweden has agreed to finance some of the follow-up activities being planned for the next few months. IFAD will approach other donors to ask for specific supplementary support in areas of common interest.

29. The objectives of the programme have been: (a) increased awareness of the centrality of rural poverty (both the issues at stake and possible approaches to address the problems); (b) formation of coalitions of development partners to focus on new challenges and options for rural poverty alleviation; (c) identification of issues requiring action and of options, including those for IFAD itself;



and (d) broad dissemination of knowledge and the forging of partnerships through the distribution of the Rural Poverty Report and the technical thematic papers.

30. Measuring the success of the Rural Poverty Report against these objectives, management concludes that the programme has been successful. However, the effort has to continue, particularly to increase awareness of the centrality of rural poverty for achieving the MDGs and for building coalitions of development partners in order to improve the livelihoods of poor rural people. This will require continued efforts on local, national and global levels.