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TWENTY-FIFTH SESSION OF THE GOVERNING COUNCIL

SUMMARY OF ROUNDTABLE DISCUSSIONS ON IFAD'S REGIONAL STRATEGIES

Western and Central Africa

Poverty in western and central Africa is predominantly rural; approximately 75% of the poor live in rural areas. Poverty needs to be viewed in the context of rapid changes in the region over the last decade: political, social, economic, demographic and environmental. The IFAD strategy for rural poverty reduction in the region, drawing on lessons learned, has four objectives relating to human capital and social organization, natural resource productivity, income generation and vulnerability, and three cross-cutting themes relating to gender equity, enhancing participation and building on indigenous knowledge.

To implement the IFAD mission of enabling the rural poor to overcome their poverty, the division intends to enhance the catalytic effect of its programmes, increase its role in policy dialogue and improve knowledge sharing.

Participants endorsed the strategy and welcomed the emphasis on:

- developing local capacity through support to decentralization initiatives and strengthening farmers' organizations;
- seeking complementarity with regional initiatives such as the New Partnership for Africa's Development (NEPAD);
- synergy among the objectives, particularly the links between investment in health and education, and agriculture and income-generating activities; and
- prioritizing investment in women.

The major role of the private sector was noted, with the caveat that it is not a panacea for agricultural development, because its interest is often limited to export crops and readily accessible production zones.

Participants emphasized the importance of the following areas for rural poverty reduction:

- agricultural product and input marketing;
- peri-urban agriculture;
- communications and rural infrastructure;
- pest control; and
- cooperative development, small-scale irrigation and malaria prevention as opposed to exclusive emphasis on HIV/AIDS.

Finally, it was emphasized that IFAD has an important role to play in pointing out the importance of the agricultural and rural sector to donor partners that have in recent years given it less attention in relation to poverty reduction.

Eastern and Southern Africa

The challenge of reducing poverty in eastern and southern Africa is particularly urgent. It is the region with the furthest to go and where progress is slowest. Rural and agricultural questions are at the heart of the poverty problem. IFAD's strategy in the region has four thrusts:

- improve poor farmers' access to markets and enhance relations with the private sector;
- increase poor farmers' access to, and control over, land and water;
- organize financial services for saving, investment and response to crises; and
- develop technology and information to enable poor people to grow and sell their own produce.

The following issues were highlighted:

- the importance of land-tenure systems that ensure security, provide for inheritance and enable land to be used as collateral;
- the enormous potential for increasing production by extending irrigation;
- the crucial role played by rural finance in on-farm investment – the value of IFAD's support for delivery of financial services by non-financial institutions was confirmed; and
- the importance of ensuring that rural producers have access to local and international markets by improving rural transport, providing better market information and promoting local agro-processing.

Some important but hitherto neglected points were made with regard to the enormous scale of the HIV/AIDS problem in eastern and southern Africa.

- HIV/AIDS is not a health problem only, so responses to the epidemic by the health sector alone are limited in their effect.
- Poverty accelerates the spread of HIV/AIDS.
- The epidemic can best be tackled through rural development that embraces reduction of gender disparities, education, community empowerment and increased incomes.
- It was suggested that IFAD should consider building some projects around HIV/AIDS, reshaping its existing programme to focus on the issue and taking reduction of HIV/AIDS infection rates to be a measure of success.

With regard to the policy and institutional environment, there was consensus on the fundamental importance of local ownership and commitment as prerequisites for economic growth based on agriculture. The necessary political will and leadership are increasingly in evidence and must be matched by moves to strengthen the capacity of rural communities and women as agents of change and to decentralize government and service institutions. There was a strong plea for partnerships with donors that go beyond financing development, and awareness that such partnerships need to be built within government policy frameworks.

Asia and the Pacific

IFAD's strategy in Asia and the Pacific stresses that poverty reduction – and indeed peace, stability and sustainable economic growth – can only be achieved by enabling historically excluded people to achieve their potential. The Fund can play a catalytic role by focusing on remote uplands and mountains, marginal coastal areas and erratically watered drylands. The strategy has four elements:

- changing gender relations to increase women's ownership and control of assets and their participation in community management;
- increasing the production of staple foods in less favoured areas through sustainable agricultural technologies;
- reforming the property and tenurial rights of marginalized minorities and indigenous peoples; and
- expanding the capabilities of the poor through greater access to self-help, local accumulation and new skills and technologies.

The following points were emphasized:

- the role of the state in delivering services and promoting pro-poor growth;
- the importance of south-south cooperation and the need to learn from developed countries and other regions; and
- the focus on operational issues such as mainstreaming and developing indicators for monitoring and building government capacity to evaluate progress.

It was suggested that IFAD should focus on small areas, stay longer and use its experience to play a catalytic role in scaling up.

Latin America and the Caribbean

Participants supported the regional strategy, with the comments set out below.

- Rural poverty is one of the major challenges of the region, but this is often overlooked because policies tend to give priority to other sectors of the economy. IFAD has an important role to play in changing this attitude.
- The process of globalization has often had a negative impact on the rural poor; emerging opportunities are not being fully utilized. IFAD must adapt its strategy to meet these challenges in partnership with civil society, the private sector, non-governmental organizations (NGOs), the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP).
- IFAD must develop new instruments for poverty reduction. The innovative character of many of the projects was strongly supported, but innovation has to be carried into effect through new approaches such as direct lending to a range of institutions rather than to central governments only.
- Many countries in the region have started to decentralize; IFAD should work as much as possible with the new local and regional institutions.
- Services provided through projects must take into account the diversity of the rural population and respond to their needs and demands. There was support for IFAD's pioneering work in mainstreaming gender.
- The strategy provides a useful guide to the work of IFAD in the region, but it has yet to be translated into an action plan with targets for subsequent years. Implementation of the plan should be assessed periodically.
- Further analysis of trade barriers was called for, particularly agricultural subsidies in countries of the Organisation for Economic Co-operation and Development (OECD) and the impact of the financial crisis on the rural poor.

Central and Eastern Europe and the Newly Independent States

The starting point for IFAD's strategy in central and eastern Europe and the newly independent states of the former Soviet Union is the transitional state of agriculture in the subregion. Central planning and state services have been abruptly terminated, public-sector spending has been reduced and production, marketing and distribution channels have collapsed. The sector urgently requires institutional reform to encourage investment and improve small farmers' access to markets, input supplies, finance and technical assistance. Rural poverty is severe and widespread among farmers in uplands and mountainous areas, rural wage earners, rural women, the elderly and ethnic minorities. The proposed IFAD strategy for reducing rural poverty in the subregion consists of six themes:

- strengthening institutional capacity;
- establishing markets for agriculture;
- improving farm productivity;
- investing in the non-farm rural economy;
- improving management of natural resources; and
- developing rural financial services.

Participants expressed appreciation for the opportunity to discuss regional strategy with IFAD staff. There was strong support for the proposed IFAD strategy, particularly the focus on mountain areas, land consolidation, rural financial services, market access and links with the private sector.

It was emphasized that IFAD and other multilateral and bilateral donors should collaborate closely on policy dialogue. The meeting urged IFAD to explore opportunities for cooperation with the European Bank for Reconstruction and Development (EBRD) and the World Bank to develop small and medium marketing enterprises and links with the private sector.

Near East and North Africa

In the roundtable on the Near East and North Africa, there was unanimous appreciation of the proposed strategy and agreement with its objectives and approach. It was emphasized that the real challenge lies in implementation.

The regional strategy deals with two types of constraint:

- natural resource constraints: a fragile land base, declining soil fertility, limited water resources and frequent droughts and floods; and
- institutional constraints: inequitable land distribution, insecurity of land tenure, unsustainable management of common resources, low public-sector investment in physical and social infrastructure in rural areas, gender imbalances and lack of grass-roots and civil organizations.

The proposed strategy for reducing rural poverty in the subregion focuses on four themes:

- empowerment of the rural poor;
- income diversification;
- equitable access to resources for men and women; and
- management of natural resources.

The following priorities were emphasized:

- build partnerships among countries of the region to lead the coordination process;.
- use participatory approaches;

- prioritize the role of rural women at all levels;
- recognize access to regional and international markets as a significant factor in poverty reduction;
- recognize the importance of agricultural technology, extension and literacy among rural people, especially women;
- improve natural resource management to ensure sustainability of development;
- increase the region's share of IFAD's lending and grant resources; and
- be aware that the negative impact of agricultural subsidies in industrialized countries is a significant constraint to economically viable agricultural production and marketing by small farmers.