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TWENTY-FIFTH ANNIVERSARY SESSION OF THE GOVERNING COUNCIL

ACHIEVING THE MILLENNIUM DEVELOPMENT GOALS BY ENABLING THE RURAL POOR TO OVERCOME THEIR POVERTY

SUMMARY OF THE PANEL DISCUSSION

Distinguished Governors,

At the end of this very rich and productive Twenty-Fifth Anniversary Session of the Governing Council, I should like to highlight a number of points that emerged from our deliberations on the Council's overall theme: "Achieving the Millennium Development Goals (MDGs) by Enabling the Rural Poor to Overcome their Poverty". We had the great benefit of a panel discussion, with distinguished panelists, in which a large number of Governors engaged.

Many Governors noted that the MDGs are closely interlinked. At the same time, reducing poverty and hunger constitutes the overarching goal among the MDGs, without the achievement of which the others would fail.

As stated by the Secretary-General in his address to the Council, it should be recognized that "We can reach these goals only if we keep our sights on the fact that three quarters of the world's poor still live in the rural areas drawing their livelihood from agriculture and other rural activities."

The key to reducing poverty is more rapid rural development based on enabling poor rural groups to raise their on- and off-farm productivity and incomes.

Rural poverty, it was recognized, is multidimensional. It both requires a broad approach and demands the attention of agricultural ministers as well as determined efforts on the part of governments and their development partners. Enhancing the access of the poor to land, water, technology and supportive institutions is critical to sustained poverty reduction. To that end, both development cooperation and public investment and policies should focus on where the poor live - the rural areas - and help to create institutions and infrastructure to support higher agricultural productivity and non-farm incomes. In that context, a better balance is needed between investments for the productive activities of the poor and investments in health, education and the other social sectors, for without growing rural incomes social services may not be sustainable.

On this occasion of IFAD's twenty-fifth anniversary, the moderator of the panel, Ms Eveline Herfkens, noted that the Fund had been at the cutting edge of developing new approaches to poverty reduction. From the outset, IFAD has recognized the imperative to focus explicitly on this; it has always championed people's effective participation and people's empowerment as a prerequisite for sustainable development intervention. She also noted that IFAD had gone beyond projects and programmes. It was having an increasingly catalytic impact on policy and institutional development, which needs to be enhanced even further. Ms Herfkens suggested that an organization like IFAD with proven experience, capacity and commitment to effectively address rural poverty reduction should be actively supported by both developed and developing countries.

In the discussions, emphasis was placed on two critical challenges in the effort to enable the rural poor to overcome their poverty.

Women in most developing countries are responsible for a significant portion of agricultural production and play a critical role both in the rural economy and in ensuring household food security. Yet, poor rural women often have even less access than men to financial and technical services and face other production constraints. They are the most likely to go hungry and they are more vulnerable to disease. Women's empowerment is not only desirable in itself but is of decisive importance to achieving food security and more rapid rural development. To this end, it was stressed that all MDG indicators should be gender-specific.

The second challenge is the HIV/AIDS pandemic. The tragic spread of AIDS is placing an unbearable burden on family structures and on public health and social systems. At the same time, the growing number of AIDS victims is starting to have a serious effect on both agricultural and industrial production and education. The large and growing number of orphans whose parents have died from the disease is particularly tragic. AIDS is not just a health issue: it is an economic and political issue of overriding importance. Urgent and sustained priority must be accorded to find an effective response for halting AIDS where it has already taken hold, such as many parts of Africa, and to introducing preventive measures in countries where it is only just starting.

Trade issues were also highlighted as major factors in tackling poverty. It was stressed that there is a need for greater coherence in the development, economic and trade policies of developed countries. IFAD can help to create the material conditions and institutions to enable poor producers to increase production. But if international trade regimes distort market conditions against poor farmers, they will not receive fair compensation for their efforts and will not be able to sustain a higher output. These issues must be tackled by the trade negotiations that are currently under way. For their part developing countries should also strengthen efforts at the regional level to overcome shared problems. The New Partnership for Africa's Development (NEPAD) could play a valuable role in this context, both in supporting regional trade and in helping to overcome supply bottlenecks.

There is one last thought. There is now a clearer and growing understanding that many of the great problems that we face - civil strife, the spread of AIDS and other mass diseases, and the vulnerability of populations to natural disaster - are rooted in poverty and chronic deprivation. Overcoming poverty is indispensable to conquer these ills.

Enabling the rural poor to raise their productivity will help them overcome poverty. Beyond that, it will help countries to achieve not only more rapid rural development but higher overall economic growth. In many low-income countries, the rural poor form a large proportion of the population. If their potential can be used more fully it will provide the basis to raise the economy to a higher growth path that will help not only the poor, but enrich society as a whole.

Distinguished Governors,

These discussions have, I believe, been extremely rewarding and I am sure they will make a valuable contribution to the broader dialogue on development and poverty.

Thank you.