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Enabling the rural poor
to overcome poverty

Governing Council

Thirtieth session report

Rome, 14-15 February 2007

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Chapter 1

Inauguration and proceedings

1. The thirtieth session of the Governing Council of IFAD was held in Rome on 14-15 February 2007. The list of participants is attached as annex I.
2. The Council held a total of four meetings, the summary records of which are contained in chapter 3, part A.

A. Replacement of the Chairperson and Vice-Chairpersons

3. The Secretary of IFAD informed the Governing Council that, since the Chairperson, the Governor for the United Kingdom of Great Britain and Northern Ireland, and the two Vice-Chairpersons, the Governors for Qatar and Bangladesh, elected at the twenty-ninth session of the Governing Council had ceased to be Governors, rule 12, paragraph 2, of the Rules of Procedure of the Governing Council applied. In consultation with the Convenors of the three Lists, it was agreed that the new Governors for those three countries would fill the vacant positions on the Bureau. Accordingly, Mr Harvey, Governor for the United Kingdom, assumed the office of Chairperson, and Mr Al-Thani, Governor for Qatar, and Mr Karim, acting Governor for Bangladesh, were designated to serve as Vice-Chairpersons.

Bureau of the Governing Council



Mr James Harvey,
Chairperson of the Council and Governor for the
United Kingdom of Great Britain and
Northern Ireland



Vice-Chairperson,
H.E. Abdul Rahman bin Khalifa al-Thani,
Governor for Qatar



Vice-Chairperson,
H.E. Fazlul Karim,
Acting Governor for Bangladesh

B. Opening of the session

4. The session was opened by Mr James Harvey, Governor of IFAD for the United Kingdom of Great Britain and Northern Ireland and Chairperson of the Council.

C. Agenda and documentation

5. The Governing Council adopted the agenda, shown together with the programme of events for the session in annex II. The documents placed before the Council are listed in annex III. The resolutions adopted by the Governing Council appear in annex IV.

D. Inaugural meeting of the session

6. The Governing Council was addressed by Her Excellency Ms Luísa Dias Diogo, Prime Minister of the Republic of Mozambique. The full text of the Prime Minister's inaugural address is reproduced in chapter 4.
7. His Excellency Tommaso Padoa Schioppa, Minister for Economy and Finance of the Italian Republic, delivered a keynote address, the full text of which is reproduced in chapter 4.
8. The Governing Council was addressed by His Excellency Abdul Rahman H. al-Attiyah, Secretary General of the Cooperation Council for the Arab States of the Gulf. This statement is reproduced in full in chapter 4.
9. His Excellency Suleiman J. al-Herbish, Director-General of the OPEC Fund for International Development, addressed the Governing Council. The full text of his statement is reproduced in chapter 4.
10. A message from Mr Ban Ki-moon, Secretary-General of the United Nations, was delivered on his behalf by the Chairperson of the Governing Council. The full text of the message is reproduced in chapter 4.
11. Mr Tesfai Teclé, Assistant Director-General, Technical Cooperation Department, Food and Agriculture Organization of the United Nations, delivered a message from the Director-General of FAO, Dr Jacques Diouf. A message from Mr James T. Morris, Executive Director of the World Food Programme, was delivered on his behalf by Ms Sheila Sisulu, Deputy Executive Director and Officer-in-Charge. These statements are reproduced in full in chapter 4.

E. Statement by the President of IFAD

12. The full text of President Båge's statement to the Governing Council is reproduced in chapter 4.

F. General statements

13. The general statements delivered by Governors in the plenary session are summarized in the summary records contained in chapter 3, part A; summaries of the three round-table discussions are given in chapter 3, part B; and general statements submitted in writing by Member State representatives who did not make oral presentations are reproduced in full in chapter 3, part C.

G. Closure of the session

14. The Chairperson summarized the results of the Council's main deliberations and then closed the thirtieth session of the Governing Council. The text of his statement is reproduced in full in chapter 4.

Chapter 2

Decisions of the Governing Council

A. Report on the Seventh Replenishment of IFAD's Resources

15. The Governing Council welcomed the announcement that, in accordance with paragraph II.7(a) of resolution 141/XXIX/Rev.1, the Seventh Replenishment of IFAD's Resources had been declared effective on 22 December 2006, when instruments of contribution and payments had been received in an amount exceeding 50 per cent of pledges. The Governing Council then reviewed the report on the status of contributions to the Seventh Replenishment of IFAD's Resources contained in document GC 30/L.2. It noted that total pledges to the Seventh Replenishment amounted to US\$616 million, or 85 per cent of the target amount of US\$720 million. It further noted that the aggregate amount of the instruments of contribution deposited totalled US\$357 million, or 58 per cent of total pledges. Payments in cash and promissory notes amounted to US\$146 million, or 24 per cent of total pledges.

B. Audited financial statements for 2005

16. The Governing Council considered and approved the audited financial statements showing the financial position of IFAD as at 31 December 2005 and the results of its operations for the year ended on that date, as contained in appendixes A to H, inclusive, of document GC 30/L.3 and the report of the external auditor thereon.

C. Administrative budget of IFAD and its Office of Evaluation for 2007

17. After considering the proposed administrative budget of IFAD and its Office of Evaluation for 2007, as presented in document GC 30/L.4, the Governing Council adopted resolution 145/XXX, relating thereto on 15 February 2007. The United States of America registered its abstention on the Fund's administrative budget.

D. Membership of the Executive Board

18. The Council was reminded that List B membership of the Executive Board, as elected on 16 February 2006, had been elected for a one-year term, and it had been agreed that any changes to, or confirmation of, that composition for the second and third years would be submitted to the Council for election. In accordance with rule 40.2 of the Rules of Procedure of the Governing Council, after considering document GC 30/L.5, and upon communication from the List B Member States of their intention to confirm the composition elected at the Council's twenty-ninth session for the second and third years, on 15 February 2007 the Governing Council elected Kuwait, Nigeria, Saudi Arabia and the Bolivarian Republic of Venezuela as members, and the United Arab Emirates, Qatar, Indonesia and Algeria, as respective alternate members.
19. Accordingly, the List B composition of the Executive Board elected at the Governing Council session is as follows:

Member	Alternate member
Kuwait	United Arab Emirates
Nigeria	Qatar
Saudi Arabia	Indonesia
Venezuela (Bolivarian Republic of)	Algeria

E. Progress report on implementation of the performance-based allocation system

20. The Governing Council took note of document GC 30/L. 6 providing a report on the implementation of the performance-based allocation system, which became fully operational in 2006, together with the results of the performance assessment and resource allocation cycle, 2006 country scores and 2007 annual allocations.

F. Report on lessons learned by the International Land Coalition

21. The Governing Council took note of the report contained in document GC 30/L.7, summarizing the International Land Coalition's efforts to promote a pro-poor land agenda aimed at ensuring that the rural poor had access to the assets necessary to overcome poverty on a sustainable basis.

G. Progress report on the Global Mechanism of the United Nations Convention to Combat Desertification

22. The Council took note of the report, contained in document GC 30/L.8, on the Global Mechanism's activities in 2006 – the International Year of Deserts and Desertification. The report outlined the Global Mechanism's evolving role as an institution providing specialized advisory services on development, agriculture and the rehabilitation of natural resources.

H. Other business

Disclosure of documents

23. The Council was informed that, in accordance with the recommendation of the Consultation on the Seventh Replenishment of IFAD's Resources adopted by the Council in February 2006, the Executive Board had reviewed the IFAD Policy on the Disclosure of Documents at its eighty-ninth session in December 2006. As a result, the Board had approved revisions to the policy permitting the public disclosure on the Internet of all documents submitted to the Governing Council and Executive Board at the same time they were made available to the members of these governing bodies on the restricted IFAD website. Therefore, approval by the Governing Council to disclose publicly the documents submitted to the session in course was no longer required. The revised disclosure policy as approved by the Executive Board with the authority of the Governing Council had been dispatched to all Governors as GC30/INF.2.

Chapter 3

A. Summary records

(including a summary of general statements delivered by Governors)

- (i) Summary record of the first meeting of the thirtieth session held on Wednesday, 14 February 2007, at 10.05 a.m.

CHAIRPERSON: **JAMES HARVEY (UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND)**

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24. **The meeting was called to order at 10.05 a.m.**

REPLACEMENT OF THE CHAIRPERSON AND VICE-CHAIRPERSONS

25. **Mr CIOCCA** (Secretary of IFAD) announced that, pursuant to rule 12, paragraph 1, of the Rules of Procedure, the Governing Council should, at alternate annual sessions, elect a bureau consisting of a chairperson and two vice-chairpersons to serve for a period of two years. Since the Chairperson, the Governor for the United Kingdom, and the two Vice-Chairpersons, the Governors for Qatar and Bangladesh, elected at the twenty-ninth session had ceased to be Governors, rule 12, paragraph 2, of the Rules of Procedure applied. In consultation with the Convenors of the three Lists, it had been agreed that the new Governors for those three countries would fill the vacant positions on the Bureau. Accordingly, Mr Harvey, Governor for the United Kingdom, would assume the office of Chairperson, and Mr Al-Thani, Governor for Qatar, and Mr Karim, acting Governor for Bangladesh, would assume the office of Vice-Chairperson.
26. **Mr Harvey (United Kingdom of Great Britain and Northern Ireland) took the Chair.**

OPENING OF THE SESSION (agenda item 1)

27. The Chairperson declared open the thirtieth session of the Governing Council and welcomed participants. Decisions on important issues for IFAD would be taken at the session, and the round-table discussions would explore the session's theme of "Rural employment and livelihoods". Most importantly, the session would offer an opportunity for members to renew their commitment to the Fund's vision of enabling the rural poor to overcome poverty.
28. It was a great honour for the United Kingdom to chair the Governing Council once again. Tackling rural poverty and supporting agricultural development were pivotal to achievement of the Millennium Development Goals (MDGs), progress towards which was still slow. In Asia, the green revolution had helped to lift millions out of poverty, and in both Asia and Africa evidence showed that improvements in the rural economy, especially in agriculture, led to improvements in other economic areas.
29. But the world was changing fast, and the round-table discussions would go to the heart of the challenges facing IFAD: employment and livelihoods were where IFAD found its target groups and comparative advantage and where it could use its vast experience to highlight the challenges and propose innovative and sustainable solutions. The Governing Council was duty-bound to ensure that IFAD had the tools and the financial support to carry out its mandate and thus play a fundamental role in achieving the MDGs. He was therefore pleased to announce that the Seventh Replenishment of the Fund's Resources had been declared effective on 22 December 2006. He commended the President of IFAD and his staff for their hard work in that connection and congratulated the Member States for their continued support. They must all work together as one IFAD to make the session a success.

ADOPTION OF THE AGENDA (agenda item 2) (GC 30/L.1)

30. **The agenda (GC 30/L.1) was adopted.**

INAUGURAL CEREMONY

31. **Her Excellency Luísa Dias Diogo, Prime Minister of the Republic of Mozambique, and His Excellency Tommaso Padoa Schioppa, Minister for Economy and Finance of the Italian Republic, were conducted to their seats.**

32. **Mr BÅGE** (President of IFAD) said that it was a pleasure to welcome Prime Minister Dias Diogo to the thirtieth session of the Governing Council. Having been a Governor in her former capacity as Vice-Minister for Planning and Finance she knew IFAD well and had personal experience in guiding Mozambique's successful development strategy and coordinating external support. She had co-chaired the United Nations High-level Panel on System-wide Coherence, which had benefited greatly from her knowledge and experience and, like IFAD, she was committed to fostering a United Nations which was coherent, effective and well funded. Her presence was an inspiration to the Council in its work. As the host country of the three United Nations agencies dealing with food, agriculture and rural development, Italy had long played a key role in international development cooperation, in particular as a strong supporter of the goals of IFAD. The firm commitment of Minister Padoa Schioppa to development aid was demonstrated by his recent initiative on the Advanced Market Commitment for Vaccines and Italy's continuing support was evidenced by his presence at the meeting. He extended a warm welcome to Mr Al-Attiyah, Secretary-General of the Cooperation Council for the Arab States of the Gulf, whose presence underlined not only the strong partnerships between IFAD and the States of the Cooperation Council but also the Secretary-General's firm and long-standing commitment to the Fund. He was grateful to Mr Al-Herbish, Director-General of the OPEC Fund for International Development, for attending the meeting. The OPEC Fund and IFAD had been created 30 years earlier to enable poor people to secure a better life. Their partnership was as strong as ever: over the previous five years the OPEC Fund had been the largest co-financer of IFAD projects. It was always a pleasure to welcome close friends of IFAD from the World Food Programme (WFP) and the Food and Agriculture Organization of the United Nations (FAO), in the present case Ms Sisulu, Deputy Executive Director for Policy and External Affairs and Officer-in-Charge of WFP, and Mr Teclé, Assistant Director-General of FAO. Their presence bore witness to the close collaboration among the three agencies and their common commitment to strengthening their partnership. The full text of the President of IFAD's welcoming address is reproduced in chapter 4.

INAUGURAL ADDRESS BY THE PRIME MINISTER OF THE REPUBLIC OF MOZAMBIQUE

33. **Ms DIAS DIOGO** (Prime Minister of the Republic of Mozambique) delivered an inaugural address, the full text of which is reproduced in chapter 4.
34. **The CHAIRPERSON** thanked Prime Minister Dias Diogo for her address, which had reminded the Council of the importance of working as one to improve the lives of the world's poorest. The Council joined her in calling for the success of the ongoing reform of the United Nations and for a coherent approach to the challenges of development. Her message would inspire the Council's proceedings.

KEYNOTE ADDRESS BY THE MINISTER FOR ECONOMY AND FINANCE OF THE ITALIAN REPUBLIC

35. **Mr PADOA SCHIOPPA** (Minister for Economy and Finance of the Italian Republic) delivered a statement on behalf of the Italian Government, the full text of which is reproduced in chapter 4.
36. **The CHAIRPERSON** thanked Mr Padoa Schioppa on behalf of the Governing Council for a message which had reconfirmed Italy's continued support for IFAD and the entire United Nations family. He endorsed Mr Båge's comments on the Advanced Market Commitment for Vaccines, a unique global alliance which certainly had the support of the United Kingdom.
37. **Mr Padoa Schioppa was conducted from the meeting room.**

STATEMENT BY THE SECRETARY-GENERAL OF THE COOPERATION COUNCIL FOR THE ARAB STATES OF THE GULF

38. **Mr AL-ATTIYAH** (Secretary-General of the Cooperation Council for the Arab States of the Gulf) delivered a statement on behalf of the Cooperation Council, the full text of which is reproduced in chapter 4.
39. **The CHAIRPERSON** thanked Mr Al-Attiyah for his message of commitment and support for the work of IFAD.

STATEMENT BY THE DIRECTOR-GENERAL OF THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT

40. **Mr AL-HERBISH** (Director-General of the OPEC Fund for International Development) made a statement on behalf of the OPEC Fund, the full text of which is reproduced in chapter 4.
41. **The CHAIRPERSON** thanked Mr Al-Herbish on behalf of the Governing Council for his message of solidarity and hope. IFAD was the unique embodiment of the long-standing partnership between OPEC, Organisation for Economic Co-operation and Development and developing countries; it was encouraging to hear the unity of purpose expressed by the representatives of those three groups.

MESSAGE FROM THE SECRETARY-GENERAL OF THE UNITED NATIONS

42. **The CHAIRPERSON** read out a message from Mr Ban Ki-moon, Secretary-General of the United Nations, the full text of which is reproduced in chapter 4.

STATEMENT BY THE PRESIDENT OF IFAD (agenda item 3)

43. **Mr BÅGE** (President of IFAD) made a statement, the full text of which is reproduced in chapter 4.
44. **The CHAIRPERSON** expressed the Governing Council's appreciation to Mr Båge for his comprehensive statement, which shed light on the dedication of the Fund's staff to the realization of its mandate, and for his wise and inspiring leadership. The Council's thanks also went to the entire staff for their excellent work.

MESSAGE FROM THE EXECUTIVE DIRECTOR OF THE WORLD FOOD PROGRAMME

45. **Ms SISULU** (Deputy Executive Director for Policy and External Affairs and Officer-in-Charge of the World Food Programme) read out a message from Mr Morris, Executive Director of the World Food Programme, the full text of which is reproduced in chapter 4.
46. **The CHAIRPERSON** thanked Ms Sisulu and asked her to convey the Governing Council's thanks to Mr Morris for his forceful message, which highlighted the importance of working together for a world where food insecurity and extreme poverty were things of the past.

MESSAGE FROM THE DIRECTOR-GENERAL OF THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

47. **Mr TECLE** (Assistant Director-General of the Food and Agriculture Organization of the United Nations) read out a message from Dr Diouf, Director-General of the Food and Agriculture Organization of the United Nations, the full text of which is reproduced in chapter 4.
48. **The CHAIRPERSON** thanked Mr Tecle and asked him to convey to the Director-General the Governing Council's appreciation for his enlightening message and for the excellent relations and increasing collaboration between FAO and IFAD.
49. **Prime Minister Dias Diogo, Mr Al-Attiyah and Mr Al-Herbish were conducted from the meeting room.**
50. **The CHAIRPERSON** invited the Governing Council to view a video documentary entitled "The First Mile" on an innovative IFAD-supported project in the United Republic of Tanzania.
51. **A video documentary was screened.**

GENERAL STATEMENTS (agenda item 4)

52. **Mr JU Kuilin** (China) commended IFAD's work in the global fight against poverty and its strong support for rural development and poverty reduction in China. Poverty was in fact the world's greatest challenge, involving political, social and environmental issues, and helping the poor out of poverty had become an undeniable responsibility for the international community. It was gratifying to see that in recent years international organizations such as IFAD and many governments were exploring ways to reduce poverty. China's own success in rural poverty reduction had attracted worldwide attention. The latest five-year programme set the target of building a new socialist countryside, focusing on innovation and development-oriented poverty alleviation supplemented by poverty-relief measures and a rural social security system. But the challenge was not an easy one: China still had a large rural population living in absolute poverty and needed long-term support from the international community.
53. His delegation had three suggestions. Firstly, IFAD should persevere on the path to institutional innovation, building on its comparative advantage, and it should act as a lead agency for global resource transfers, as well as providing a knowledge base for development concepts and a platform for cooperation for poverty alleviation. Secondly, developed countries should shoulder more responsibility in the international efforts in terms of contributions to IFAD and debt reduction. Thirdly, developing country ownership must be enhanced, with flexible use of the different models of poverty reduction, and the effectiveness and targeting of international assistance must be improved.
54. **Mr KHAN BOSAN** (Pakistan) said that 2006 had been a year of change for IFAD: Pakistan now looked forward to the leadership to be provided by the new senior management team. Since IFAD was a critical partner in its fight against rural poverty Pakistan had doubled its contribution to the Seventh Replenishment and might give more. In addition, its contribution to IFAD projects in Pakistan had been about ten times the Fund's investment.
55. The Fund's strength lay in its uniqueness, and it must not try to do too much or what others did better. Burden-sharing must be improved, and the division of labour must be based on the respective strengths of the Fund's partners. The Action Plan should address the need for increased effectiveness in project design and supervision. The performance-based allocation system (PBAS) was a step in the right direction but it must not penalize the poor for shortcomings not of their own

making or compromise the larger goal of making poverty history. As to the Fund's governance, it was worrying that more than 100 of the 129 List C Member States were excluded from the decision-making process. IFAD should be more inclusive and participatory. Pakistan noted with satisfaction that the Seventh Replenishment had come into effect and hoped for a more robust increase in pledges. It welcomed the attention now given to the issue of excess liquidity and trusted that the investment portfolio was being managed well.

56. High growth in several countries of Asia and the Pacific had helped to lower poverty levels; local innovation capabilities and knowledge management were improving and the private sector and regional integration were expanding. IFAD could promote the sharing of that investment-knowledge nexus with other regions. Pakistan would gladly support a new IFAD business model rooted in shared experience. Its own impressive economic growth had cut the poverty level from about 34 per cent to 24 per cent, but that was not enough. It was determined to ensure growth with equity. Rural development was the key; hence a fourteen-fold increase in Pakistan's budgetary allocations for that purpose.
57. **Mr FAYOLLE** (France) said that IFAD had rightly focused its action on areas where poverty remained a major challenge to attainment of the MDGs. For its part, France had maintained the level of its contribution to the Seventh Replenishment, and the signing in November 2006 of a cooperation agreement between IFAD and the Agence française de développement would strengthen operational relations. France now expected the Fund to produce operational results, preserve its financial sustainability and enhance its comparative advantage. The Independent External Evaluation (IEE) report, while confirming the relevance of IFAD's action, had stressed that progress was needed in terms of portfolio performance. IFAD must shorten time frames, improve supervision, maximize impact and ensure sustainability. Recent trends were encouraging. France welcomed the Fund's participation in the discussions of the multilateral banks concerning performance-based allocation but felt that each institution should retain its specific character in that regard. The working group of the Executive Board on outstanding issues would shed light on possible directions. It was to be hoped that the good performance of the portfolio in Africa would ensure respect for the rule of maintaining Africa's share.
58. France had not always approved of the Fund's main financial orientations, but a balance had now been restored, and the zero real growth of the administrative budget indicated an acceptable level of rigour, although efforts to increase productivity should continue. The implementation of the Debt Initiative for Heavily Indebted Poor Countries (HIPC), and of a debt sustainability framework should also be pursued by IFAD, and its engagement capacity must be maintained, with all donors mobilizing resources to that end. The Fund should contribute to the study of innovative development finance mechanisms, and enhance its comparative advantage by building on its areas of excellence. It should also address migration issues and endeavour to improve the performance of family farms. France urged IFAD to seek partnerships in order to scale up innovative projects, and, in the interests of aid effectiveness and greater legitimacy, step up its collaboration with the African Development Bank, strengthen its partnerships with the private sector and large foundations and encourage increased participation by emerging donors.
59. **Mr HADDAD** (Tunisia) said that IFAD was to be congratulated for its ongoing efforts to improve the efficacy of its working methods in order to meet the challenges posed by the rapid socio-economic changes under way at the global level, as reflected in its budget. He hoped that the current first year of the Seventh Replenishment would mark a new turning point in the Fund's approach. In particular, loan conditions should be reviewed to take into account any potential repayment difficulties that some countries might experience, bearing in mind that such loans were targeted at a vulnerable group. IFAD was involved in various global

mechanisms under United Nations conventions and played a key role towards attainment of the MDGs, but its efforts thus far had not fully satisfied expectations. Account must be taken of the specific needs of rural people, whose participation in project implementation and evaluation should be progressively increased.

60. Tunisia had devised an integrated development model focused on the socio-economic dimension with a view to achieving progress and building a balanced society. As a result of the associated reforms introduced in many areas, income levels had improved and the number of rural poor had declined to 3.9 per cent of the population. IFAD could undoubtedly use its resources and expertise to find new ways of helping the poor to meet their challenges, and to that end more cooperation for sustainable development and poverty eradication was essential.
61. **Ms GLAD** (Norway), speaking on behalf of the Nordic countries, said that IFAD needed professional and innovative staff at all levels and that the President's new appointments promised well for its ability to deal with the challenges ahead. However, the programme of work could not be implemented unless the resources pledged by Member States to the Seventh Replenishment were available when needed. IFAD had made good progress in reshaping itself and sharpening its programme focus in the light of past lessons and the IEE. An emphasis on innovation and scaling up, empowerment, partnerships and sustainability would be critical to the attainment of IFAD's goals. The Nordic countries stressed yet again the importance of identifying the Fund's strategic niche and making use of its comparative advantage, and they endorsed the new targeting policy, in particular the special focus on women within the identified target groups. The new results-based country strategic opportunities programme (COSOP) was also welcome, as was the planned shift to a results-based framework for budgeting, planning and all other activities, but the Fund had still to travel in its entirety the difficult road from intention to implementation.
62. The clear challenge for IFAD, FAO and WFP was to improve their cooperation with each other and across the whole multilateral development system. The Fund's President had played a very constructive role on the High-level Panel on System-wide Coherence: if the United Nations could truly "deliver as one", it would become much more than the sum of its parts. In particular, the Rome-based agencies should adopt a joint approach to agricultural and rural development, and work better together on food security targeted at the poor; the spirit of collaboration just expressed in their statements was therefore gratifying. That approach should be supported by the different expertise of the three agencies and run through the preparatory processes for common country assessments and the country pilots. The Nordic countries reiterated their strong support for IFAD and their appreciation of the improvements made. But there was no room for complacency: the Fund must be made into an even better instrument for improving the lives of the rural poor.
63. **Mr CENTO** (Italy), stressing IFAD's essential role in the fight against rural poverty and hence its contribution to the attainment of the MDGs, said that Italy appreciated the emphasis given by the Fund's President to stronger cooperation among the Rome-based agencies. IFAD was to be commended for launching its renewal process, in particular the adoption of the PBAS. However, Italy had some misgivings about criteria tied rigidly to the performance of beneficiary countries, for the different situations in rural areas were not easy to evaluate merely by means of quantitative indicators, and some of the changes in the allocation of resources were hard to accept socially and politically. Still, the experimental stage of the new system made it possible to highlight certain problems of implementation. Italy did in fact welcome the changes in resource allocation to safeguard the percentage of assistance furnished to sub-Saharan Africa and to reduce the population weighting. The most suitable indicator was size of rural population combined with income level.

64. Italy remained convinced of the need to maintain zero real growth budgeting and to apply it transparently to all administrative expenditures. It was happy that IFAD used its grants to improve the use of natural resources and attached importance to environmental impact assessment. The Fund's approach in that regard had been acknowledged by the United Nations in the context of the Global Mechanism of the United Nations Convention to Combat Desertification (UNCCD). Italy had always supported the Fund's request for access to the World Bank's HIPC Trust Fund and welcomed the recent favourable decision in that regard; its own contribution to the Trust Fund, in the context of IFAD, was in excess of US\$4 million. As host country, Italy was also contributing to the cost of IFAD's relocation to the new building. As a new Governor, he hoped to intensify contacts with the Fund and represent the interests and contributions of Italy's Ministry of Economy and Finance and other ministries and entities concerned with development. He called for more incisive action in the area of communication to increase IFAD's visibility within Italy.
65. **Mr NASUTION** (Indonesia) said that it was crucial for the thirtieth session, in the context of its focus on rural employment and livelihoods and IFAD's core tasks, to address the new challenges of the global economy. Since 1980 IFAD-funded loans to Indonesia totalling US\$278 million had benefited millions of rural dwellers. It was hoped that the new project for the Papuan people would be approved by the Executive Board in 2007. Indonesia looked forward to the Fund's continuing support for the implementation of its rural development programmes and to the drafting of its country strategy on the basis of the country-ownership approach. The Action Plan deliverables aimed at improving IFAD's development effectiveness and the revised Strategic Framework 2007-2010 were also welcome, and in that connection Indonesia was organizing an outreach programme involving the Rome-based agencies to enable scholars and researchers to learn more about the agencies and receive inputs from them.
66. IFAD should give greater attention to the development of bio-fuels in rural areas, which could help solve certain rural energy problems, as well as providing opportunities for income generation. Indonesia had started development work in that area and invited IFAD to invest in the programme and to attend the bio-fuels seminar to be held in the second half of 2007. It also urged IFAD to help tackle avian influenza, which might develop into a pandemic. Any measures such as technical assistance, special grants or soft loans would be welcome.
67. While the appointment of the new management team was welcome, the composition of the Fund's staff still did not reflect balanced geographical distribution; in particular, more staff should be recruited from developing countries. The results of the meetings of the Executive Board's Ad hoc Committee to Review Member States' Voting Rights and the Role, Effectiveness and Membership of the Executive Board had not so far met expectations, and Indonesia hoped to see more satisfactory recommendations on the issues of voting rights and membership of the Executive Board.
68. **The meeting rose at 1.10 p.m.**

- (ii) Summary record of the second meeting of the thirtieth session held on Wednesday, 14 February 2007, at 5.40 p.m.

CHAIRPERSON: ABDUL RAHMAN BIN KHALIFA AL-THANI (QATAR)

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- Republic of Korea	73-75
- Syrian Arab Republic	76-78
- Kenya	79-81
- Colombia	82-83
- Iran, Islamic Republic of	84-85
- Togo	86-88
- Egypt	89-90
- Guatemala	91-92
- Libyan Arab Jamahiriya	93-94
- Mauritius	95-96

69. **The meeting was called to order at 5.40 p.m.**

GENERAL STATEMENTS (agenda item 4, continued)

70. **Mr COEN MONTEALEGRE** (Nicaragua), speaking on behalf of the Group of Latin American and Caribbean Countries (GRULAC), said that the Group welcomed the outcome of the Seventh Replenishment, the amount of which represented a substantial increase. It endorsed the proposed programme of work and budget for 2007-2009, in particular the decrease in administrative costs, and urged all Members to pay their contributions as soon as possible. IFAD was certainly trying to meet the challenges of the new millennium through its Action Plan. GRULAC noted that the new model of the COSOP, the new project approval format and the PBAS were already in daily use and that the Strategic Framework 2007-2010 would be amended in the light of experience. With regard in particular to the recent adoption of the Policy on Supervision and Implementation Support, GRULAC appreciated the work done by the Office of Evaluation and endorsed its 2007 work programme and budget. The Executive Board's failure to adopt the Strategy for Knowledge Management illustrated the need for further consultation with a view to drawing up valid proposals. In that connection, all policy and strategy documents should be circulated in good time in all the official languages, and all meetings formal and informal should enjoy interpretation services in Spanish.
71. The establishment of the PBAS working group was welcome, for the new system could be improved. The proposal to replace the "total population" variable with "rural population" created a serious problem, for there was no accepted definition of the latter term, and would entail changing all the other variables. The working group should also consider how to distinguish between countries receiving loans on highly concessional terms and those receiving loans on ordinary terms.
72. GRULAC regretted that no professionals from Latin America had been recruited at the senior management level and in general urged IFAD to recruit more professionals from developing countries. The Group would also like to know whether the post of regional manager of the Global Mechanism of the UNCCD, a post which had to be held by a Latin American, had been filled. The fact that IFAD had taken charge of the Grants Facility for Indigenous Peoples was recognition of the work done by IFAD in that area. The Grants Facility must have the necessary resources to perform its functions, and those resources should be allocated fairly and transparently to indigenous peoples. IFAD deserved congratulation for convening the round tables, for the subjects to be discussed were fundamental to its work.
73. **Mr MIN** (Republic of Korea) said that his Government had reaffirmed its increased cooperation with IFAD when the Fund's President had met with the Minister for Agriculture in May 2006.
74. The world's many natural disasters and pandemics, and the hunger and poverty caused by regional and racial conflicts, were blocking progress towards attainment of the MDGs. To help to attain the goals of IFAD, the Republic of Korea had increased its contribution by 20 per cent for the Seventh Replenishment. It was also holding a workshop in March on poverty eradication issues. It was contributing US\$1 million to the World Bank to help to control avian influenza, as well as initiating a training course on the transfer of technology for diagnosis of avian influenza to countries members of the Association of South East Asian Nations (ASEAN) and providing test kits worth US\$100,000 for cooperation in the fight against poverty and hunger. In 2006 the Government had announced that it was to increase its official development assistance through its Africa initiative. It would seek further ways of cooperating with IFAD to enhance rural development.
75. IFAD rightly believed that the best way to address rural poverty was to increase employment opportunities for rural dwellers. The Republic of Korea had successfully tackled its food shortages and rural poverty in the 1960s by means of its "New

Village” movement, which had boosted agricultural infrastructure and job creation. Experience in his country had shown that nurturing human resources in rural areas was as important as providing physical assistance – a lesson that was now being shared with other developing ASEAN countries. The various examples of successful rural development should indeed be shared through IFAD with its Members.

76. **Mr SAFAR** (Syrian Arab Republic), noting IFAD’s continuing endeavours and achievements in eradicating poverty and malnutrition, said that, financing constraints notwithstanding, its performance could be further improved and its activities expanded by way of new initiatives, policies and methodologies.
77. Given the socio-economic importance of the agricultural sector for sustainable development, the Syrian Arab Republic gave prominence to agriculture in its national development plans through an ongoing succession of ambitious poverty-reduction strategies centred on such areas as economic growth, job opportunities, social justice, training and capacity-building. The optimal and sustainable use of natural resources was key to the achievement of overall development objectives, the guarantee of food security and the modernization of means of production. His country’s institutional capacity-building efforts therefore focused in particular on public institutions, which provided the main support for the rural sector. Its current economic reform programme also highlighted the role of women with a view to fulfilling the aspirations of the targeted communities and creating a socio-economic enabling environment for the rural poor.
78. Despite the successes accomplished, however, further work was needed to increase agricultural production, reduce production costs and enhance market access. In addition to its agricultural development and poverty reduction efforts, the Syrian Arab Republic was striving for an end to war and conflict in the Middle East region and to the Israeli occupation of Arab territories, which impeded their development, not least owing to the impact of Israeli practices on agriculture and the environment. The Syrian Arab Republic looked forward to further cooperation with IFAD and appreciated the assistance provided to all developing countries by the Fund and other organizations.
79. **Mr MUIRURI** (Kenya) stressed the importance for IFAD of achieving the MDGs and World Food Summit targets. Convinced as it was of the priority to be given to agricultural and rural development, the Kenyan Government had put in place the necessary policies and measures to create wealth and employment and revitalize the agricultural sector. Although agriculture would continue to be the main activity of Kenya’s rural poor, the importance of non-farm activities was growing. In that context, the value chain approach was a suitable means of identifying potential opportunities for the creation of rural employment and the enhancement of rural livelihoods. He therefore looked forward to the outcome of the round-table discussions on rural employment promotion through that approach.
80. He urged the IFAD-hosted Global Mechanism of the UNCCD to strengthen its activities in support of national and regional efforts under way to build sustainable livelihoods in the drought-prone areas of Kenya and the Horn of Africa. He also looked forward to a more substantial IFAD loan and grant portfolio for Kenya based on the PBAS, although he was concerned that implementation of the system might impede access to funding by poor countries with weak bureaucratic systems. He therefore supported the Executive Board’s recommendation to convene a working group to develop a broader understanding of the issues.
81. Kenya’s increased budgetary allocations to agriculture, combined with other investments and the favourable policy environment, had already led to higher economic growth and food production. He was confident that the partnership between IFAD and his country would continue in strength, citing as an example a number of recent IFAD-supported projects that responded to Kenya’s agricultural and rural development priorities.

82. **Mr PRETELT DE LA VEGA** (Colombia) said that IFAD required solidarity from all its Members, which meant caring more for others than for oneself: the Fund's loans were thus channelled to the poorest farmers in the recipient countries. Solidarity also meant that members must gradually increase their contributions to IFAD, for the number of poor people was increasing; and finally it meant that countries should share experience that might be useful to others.
83. The governing regimes in some countries prevented the sharing of interests, but Colombia had been free of dictatorship for 50 years and was democratically governed by its Constitution and laws. Nevertheless, the Government had to allocate excessive budgetary resources to combat the current guerrilla warfare and drugs and arms trafficking. Against that background of economic difficulties in what remained a very poor country, it was encouraging that unemployment had fallen and social benefits had been increased. The lesson was that violence produced only poverty, while peace produced real benefits. The number of poorest of the poor had declined from 30 per cent to 20 per cent, towards a target of 8 per cent. But Colombia still needed international support to re-establish public order and combat the drugs and arms trafficking while seeking negotiated political solutions within the framework of domestic law.
84. **Mr AL HABIB** (Iran, Islamic Republic of) expressed his Government's appreciation for IFAD's work in poverty reduction throughout the world. Resource mobilization through developed countries was essential for strengthening international cooperation and IFAD's efforts. He considered, however, that although IFAD had undertaken extensive reform to adapt itself to the new international environment and challenges, further reform was needed to make the institution more transparent and democratic.
85. The theme chosen for the thirtieth session of the Governing Council reflected the importance IFAD accorded to rural development, and he looked forward to the round-table discussions. In his country, because of its rich and varied resources, agriculture was one of the most important sectors of the economy, playing a crucial role in national development and food security. Subsequent to the World Food Summit in 1996, the country had undertaken major structural reform in the rural and agricultural sectors, resulting in rapid growth, despite frequent severe drought in a number of provinces. Many of the country's achievements were due to structural development, adoption of adequate policies, government investment in both the public and the private sectors, supportive policies for a conducive environment in the agriculture sector and encouragement of local participation in agriculture and other rural sectors.
86. **Mr NAGOU** (Togo) expressed gratitude for IFAD's support to his country and welcomed the opportunity to work with other countries to find the best solutions to the many problems of the rural sector throughout the world, particularly in developing countries. Those solutions included measures to improve the effectiveness and efficiency of IFAD in reducing rural poverty, finding adequate financing to allow young people to create enterprises and encouraging the public and private sectors to cooperate in establishing a framework for the creation of new rural employment.
87. His country was also seeking solutions to those problems, after a long period of social and political unrest, which had resulted in 2001 in suspension of cooperation with the European Union and suspension of IFAD financing, owing to non-payment of arrears. Formation of a national unity government in 2005 had led to peace and social cohesion and resulted in the resumption of socio-economic activity in the country. Cooperation with the European Union had been reinstated, allowing the Government to increase its efforts to achieve the MDGs.
88. As agriculture represented 40 per cent of its gross domestic product (GDP), Togo welcomed the approach adopted by IFAD in its programme of work and budget for

2007 to promote agricultural and rural development. His Government therefore expressed the hope that IFAD and other donors would assist it in attaining the objectives defined in its new agricultural policy and those to be proposed in the national programme for food security. The support of IFAD would be vital, as the State could fulfil its objectives only if it could guarantee a minimum of financial resources for establishing a framework conducive to productivity growth, job creation, investment and poverty reduction.

89. **Mr RASHED** (Egypt) said that, since its establishment 30 years earlier, the Fund had financed over 650 projects in 115 countries with a resulting improvement in rural living conditions and food security. Regional and international mechanisms should be upgraded, however, in order to streamline resources and avoid duplication in meeting the challenges posed by the North-South development gap, the unfair international trade system and the poor investment in agriculture. For its part, Egypt looked forward to greater cooperation and ongoing consultation with IFAD and other agencies in combating and addressing the consequences of such recent phenomena as avian influenza, and to that end it had established a specialized body dedicated to containing the disease and raising public awareness.
90. Egypt was pursuing its implementation of an agricultural development strategy based on, inter alia, achieving higher agricultural production rates, reclaiming land for farming purposes, increasing agricultural exports and benefiting from regional and international free-trade agreements with partners. Aware of the importance of multilateral cooperation, information exchange and joint projects in the efforts for sustainable development, Egypt actively contributed to the work of such development initiatives as the New Partnership for Africa's Development (NEPAD), to which it had allocated over 8 billion Egyptian pounds. It also provided technical assistance to Africa through a dedicated fund, as well as emergency humanitarian assistance to countries with food shortages, in conjunction with WFP. Egypt greatly valued its long-standing cooperation with IFAD and had implemented a variety of successful projects country-wide on the strength of IFAD loans. Indeed, the Executive Board's unanimous approval of a new rural development project in Upper Egypt signalled a further important step forward in support of its national development plans.
91. **Mr LÓPEZ FIGUEROA** (Guatemala) said that the battle against poverty must be fought with innovative methods. Owing to globalization the world's agriculture was undergoing a historic structural change involving, inter alia, agro-energy, biotechnology, climate change, and the Doha Round of trade negotiations. In July Guatemala was to host the fourteenth session of the Inter-American Agriculture Panel and the Fourth Ministerial Meeting on Agriculture and Rural Life, which would discuss such topics and coordinate action continent-wide. In August the Inter-American Dialogue on Water Management would convene in Guatemala to discuss the implications of water issues for the whole of human life. And in March Guatemala would host a meeting of the Board of Governors of the Inter-American Development Bank, which would seek to devise better means of financing development programmes. Those meetings would provide an opportunity to reflect on the role of the multilateral cooperation and financing bodies in creating and strengthening institutions which facilitated good governance.
92. Guatemala had had satisfactory experience working with IFAD, which had had the added merit of helping to repair the social fabric in communities affected by the armed conflict. But it suggested that the periodic reviews of the PBAS indicators should be more frequent or the current three-year period broken down into shorter parts, for different technical and political management characteristics within States and in the design of programmes by IFAD itself had to be taken into account.
93. **Mr AL-MANSOURI** (Libyan Arab Jamahiriya) said that his country continued to strive for the achievement of IFAD's founding goals, despite the past embargo

which had thwarted a number of its ambitious development projects, notably in the area of agriculture and food production, thereby affecting the general income level. An active participant in IFAD's work over the years, it looked forward to stepping up its cooperation with IFAD in matters relating to desertification, agricultural pests and the conservation of local genetic strains.

94. The Fund had an ever-growing role to play in poverty eradication by creating new programmes in poor rural areas with a view to attainment of the MDG to reduce by half the proportion of people who suffered from hunger by the target date of 2015. As host for the Global Mechanism of the UNCCD, IFAD also played an important role in the efforts to combat the problems of desertification and drought that so badly affected certain areas of Africa and Asia. It was similarly engaged in laudable efforts to limit the damage to farming caused by desert locust plagues in those same areas. Having emphasized the need to support work aimed at improving the sustainable use of Africa's rich diversity of animal and water resources in the interests of prosperity and stability for its peoples, he concluded by stressing IFAD's goals and commending its achievements to date.
95. **Mr CANGY** (Mauritius) said that his country's economy depended heavily on textile and sugar exports and on tourism. Those activities had been threatened by the dismantling of the Multifibre Arrangement of the World Trade Organization (WTO); by a 5 per cent reduction in the price of sugar under the Sugar Protocol of the African, Caribbean and Pacific Sugar Group, which would become a 36 per cent reduction by 2009; and by soaring oil prices. The contribution of agriculture to GDP had decreased from 23 per cent in 1970 to 5.8 per cent in 2005. In order to broaden the base of the economy, a seafood hub was being set up to optimize revenue derived from resources in the country's exclusive economic zone. In his Government's view, reciprocity in market opening should be asymmetrical and introduced in such a manner as to have no adverse impact on domestic industries, employment or government revenue, all of which were crucial for economic development and poverty alleviation.
96. Mauritius was on the "reserve projects" list of the indicative lending programme of IFAD for 2007. An IFAD team had visited the country and identified two of the most vulnerable groups: some 28,000 sugarcane smallholders and about 5,000 persons who fished traditionally in lagoons, whose impoverishment was due largely to over-fishing and lack of exploitation of non-traditional sectors. The programme would include sustainable marine resource management and diversification of rural incomes and employment. The IFAD team proposal to finance the grant element of the programme from government funds was, however, unacceptable to his country, given its economic situation. Mauritius could afford to take the IFAD loan only if the rate of interest was close to that of the current rural diversification programme loan, i.e. 2.2 per cent. He proposed an interest rate subsidy and asked IFAD to look at alternative ways of providing soft loan facilities for the poor, perhaps based on validated schemes such as the Grameen Bank.
97. **The meeting rose at 7 p.m.**

- (iii) Summary record of the third meeting of the thirtieth session held on Thursday, 15 February 2007, at 9.40 a.m.

**CHAIRPERSONS: FAZLUL KARIM (BANGLADESH)
JAMES HARVEY (UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND)**

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- United Kingdom of Great Britain and Northern Ireland	182-183
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98. **The meeting was called to order at 9.40 a.m.**

GENERAL STATEMENTS (agenda item 4, continued)

99. **Mr OEHLER** (Austria) reiterated his country's commitment to attainment of the MDGs and expected IFAD to work towards that end. IFAD's Action Plan for improving development effectiveness should help it to achieve measurable results, and the relatively high level of the Seventh Replenishment would enable it to increase its annual lending volume by 10 per cent and hence its impact. The success of the Fund's mission would depend on careful planning and a focus on the comprehensive empowerment of the rural poor, through increased food production, income generation, improved access to land and water, rural financial services and markets for rural products, better dissemination of production and marketing techniques, and the strengthening of their organizations. Poor rural women, in particular, should be empowered through education and improved sanitary conditions. IFAD projects should be embedded into country processes, their performance being followed up over longer periods. The Fund, through a stronger field presence, should participate more visibly in poverty reduction strategies in recipient countries.
100. One of Austria's main development cooperation goals was greater support for women in developing countries. Another was significant economic growth accompanied by investment in social sectors. Others were water and settlement hygiene, rural development, energy, private sector development, education and good governance.
101. Austria supported the programme of work and proposed budget for 2007. It was important, however, that the allocation of scarce resources should in principle reward performance and good governance. An appropriate form of performance-based allocation should be applied to encourage recipient countries to make the most effective use of resources, although special regional needs, such as those of sub-Saharan Africa, and the priorities of similar highly concessional borrowers should be taken into account.
102. **Mr CHIRAPANDA** (Thailand) said that rural employment and livelihoods, the theme of the session, were key issues for attainment of the MDGs. In his country, extensive public funds had been invested in physical and social infrastructure for rural populations, and direct investment in agriculture by both the public and the private sector had also been encouraged. On the basis of lessons learned, Thailand was determined to make further progress in creating employment opportunities and, more broadly, in agricultural and rural development.
103. Development efforts in Thailand had been strengthened by adoption of the "sufficiency economy" philosophy, introduced by His Majesty the King of Thailand. In its application to agriculture, farmers were encouraged to use their scarce resources more effectively, taking into account the risk of natural disasters, to reduce spending and to strive for self-reliance. The philosophy was described in the Thailand Human Development Report 2007 of the United Nations Development Programme (UNDP), which he invited participants to consult. The Government had mobilized 40 local intellectuals, who, through their network, would be providing intensive training courses on the philosophy for more than 20,000 farmers. In conclusion, he welcomed the increasing role of IFAD in the region of Asia and the Pacific.
104. **Mr WASIRA** (United Republic of Tanzania) said that his Government was striving to reduce rural poverty through its rural development strategy and agricultural sector development strategy. IFAD was playing a constructive role in helping the Government to achieve its objectives in the context of the MDGs and NEPAD. IFAD-funded projects in his country had improved rural livelihoods, and implementation of the planned programme to reduce unemployment among rural youth, women

and marginalized groups would further strengthen rural communities, increase the involvement of vulnerable groups in development and rural institutions, foster market linkages, reduce rural migration, increase productivity and facilitate access to microfinancing.

105. His Government was improving the economic and policy environment by establishing an institutional framework including policy, regulatory systems, good governance, efficient use of development resources, dialogue with development partners, participatory representation and accountability in rural development strategies and programmes. It was committed to promoting sustainable agriculture hand in hand with increased rural employment. It would also implement IFAD's strategies regionally through the Comprehensive Africa Agriculture Development Programme of NEPAD. A memorandum of understanding signed recently with a number of development partners was expected to harmonize initiatives for development and poverty reduction and ensure aid effectiveness. Within the Government-led framework, it was anticipated that IFAD would continue to expand its PBAS portfolio.
106. His country had paid its contribution to the Seventh Replenishment and urged others to do likewise. He congratulated IFAD on its prudent financial management and welcomed the programme of work and proposed budget for 2007. The working relation between his Government and IFAD had been greatly enhanced by the presence of the resident Liaison Office; IFAD representation in the field had clear advantages.
107. **Mr HERNÁNDEZ LARA** (Mexico) said that the fight against poverty and promotion of rural development continued to be priorities in Mexico. A visit to his country by members of the Executive Board for the country programme evaluation had proven to be very positive. Negotiations had since begun for a new results-based COSOP based on the new model, which would serve not only to strengthen cooperation with IFAD but also as an example of IFAD's relationship with a large country with both very advanced sectors and pockets of great poverty.
108. Speaking as Chairperson of the Evaluation Committee, he informed the Council that a country programme evaluation was shortly to be conducted in Mali. He was optimistic that the visit would result more generally in ideas for prolonging sustainability and assuring the involvement of the beneficiaries of local associations and local government.
109. Referring to the statement made on behalf of GRULAC, he noted that the working group which had been set up to discuss possible changes to the PBAS model would be considering a number of technical aspects, including reallocation of resources from projects that had not been implemented. He proposed that any suggested changes should be of a temporary nature and should be adopted only if they were seen to be having the desired effect. The report of the Executive Board's Ad hoc Committee to Review Member States' Voting Rights and the Role, Effectiveness and Membership of the Executive Board had made several suggestions to improve transparency and decision-making by the Fund. Correct forums should be found for strengthening that dialogue. He concluded by stressing that the problems faced by the fragile global ecosystem had to be tackled in a concerted manner. The alleviation of rural poverty must be supported by all, for the benefit of present and future generations.
110. **Mr KAMARA DEKAMO** (Congo) expressed concern about the decrease in allocations to African countries since 2004, even though the results of programmes in Africa had been more satisfactory than elsewhere. The decrease appeared to be due to implementation of the PBAS, and his Government proposed that the system should be improved so that it did not penalize populations faced with food insecurity. Congo also looked forward to better representation of African Member States on the Executive Board.

111. His country's cooperation with IFAD consisted mainly of two loans for rural development projects currently under way. That in the north of the country had recently been reviewed for the third time by representatives of the United Nations Office for Project Services (UNOPS) for Africa, which had concluded that, despite problems of administration and start-up, the project was expected to yield good results. Nevertheless, the "high intensive labour" method proposed for use in the component for improving access to production areas was incompatible with the sandy soil and low population density of the project zone. Furthermore, one third of the zone was criss-crossed by water courses, which could be used for transport. The development project in the southern part of the country had been initiated at the beginning of December 2006. His Government looked forward to the finalization of two further loans, for projects in the far north and in the south of the country. He congratulated IFAD on the progress attained in the Seventh Replenishment and on the work of IFAD in reducing rural poverty.
112. **Mr HOFMANN** (Germany) said that the Seventh Replenishment gave IFAD a sound basis for tackling the tasks ahead and that the plans for reform showed that it had taken on board the recommendations of the IEE. Germany welcomed the new management team, which was a team for reform; one of its major challenges would be to locate the Fund's unique role within the new aid architecture. But a unique mandate did not necessarily constitute a comparative advantage, and IFAD must assert its identity by delivering a proven impact as a specialized agency unafraid to innovate and by showing the larger institutions new approaches.
113. Germany urged all the specialized agencies to participate in the "Delivering as One" initiative of the United Nations High-level Panel on System-wide Coherence. IFAD itself must ask what conclusions to draw for its own reform and how to implement in its operations the central idea of a more unified system at the country level. One of the major aims of the European Union and the Group of 8 under Germany's current presidency would be to strengthen partnership with Africa, which lagged behind in the fight against poverty. IFAD's involvement in Africa was commendable; its close cooperation with the African Development Bank was particularly welcome in that regard, and their joint project review would open up new avenues of cooperation.
114. **Mr CHELGHOU** (Algeria) said that IFAD could make a key contribution to the effort to promote agricultural development as part of overall rural development, for agricultural development was the driving force in improving the farming, livestock and forestry activities on which rural dwellers depended. Those activities must of course be underpinned by projects in such areas as infrastructure, income generation and education. But that could not be done without provision of the necessary financial resources by the public authorities and through access to credit, particularly microcredit, on concessionary terms. The round-table discussions would help to establish the right approaches, but all means must be used to pursue the MDGs, for otherwise rural areas would be increasingly marginalized, resulting in their impoverishment and in rural exodus. Rural development also meant fighting desertification, and IFAD, which hosted the Global Mechanism of the UNCCD, played a leading role in that fight. The progress report on the Global Mechanism (document GC 30/L.8) illustrated the importance of the activities, which must be continued and made even more effective.
115. It was essential for IFAD to have the financial resources to play its role as locomotive of rural development; the outcome of the Seventh Replenishment would certainly enable the Fund to pursue its course. The eradication of hunger and poverty called for real solidarity in the international community, effective partnerships with governments and civil society, and close cooperation with other international organizations. Algeria would make its full contribution to that undertaking.

116. **Mr KAMALUDEEN** (Maldives) said that the issues and threats in an increasingly interdependent world were real, and the behaviour of peoples towards each other and their exploitation of natural resources had far-reaching consequences. Desertification, for instance, might appear of little consequence to the Maldives, but it reduced food security for all nations and was a manifestation of a much larger threat, for land reform might prove of little benefit given the effects of climate change. The implications of climate change were in fact relevant to the Governing Council's discussions, for they could derail, for example, all the efforts made by the Maldives to secure rural development and alleviate poverty, a point made by the country's President in the General Assembly of the United Nations. In the past the people of the Maldives had shown great resilience in the face of disaster, thanks in part to the support of the international community, including IFAD.
117. States were now more aware of their interdependence, but there was a danger that they might overlook the needs of the rural poor: did the drive to find plant substitutes for carbon fuels, for example, imply land for fuel instead of land for food? And there was a need to open up markets for rural produce on the basis of fair pricing. In short, the issues of climate change could not be addressed effectively without addressing the needs of the most vulnerable segments of the world's population. In that context the Maldives proposed that IFAD should launch a special programme for small island nations and coastal communities, with specific reference to climate change. He concluded by expressing appreciation to IFAD for the support it gave to fisheries and agriculture in the Maldives.
118. **Mr PAHIMI PADACKE** (Chad) said that the current session's theme of "Rural employment and livelihoods" was intended to help resolve problems of poverty caused by lack of employment, the frequent outcome of which was rural exodus to towns, if not even further afield. He expressed his support for IFAD's poverty reduction efforts within the context of the MDGs, and gratitude for its funding of current major projects in Chad to the tune of US\$40 million.
119. Despite its significant natural resources, Chad's economic development was such that it was listed among the world's poorest countries. Moreover, its agricultural development was impeded by the constant fluctuations in climate that resulted from its landlocked desert position. Its per capita daily income was under US\$1, falling to less than half that amount in rural areas, where 80 per cent of the population lived. In order to address the ensuing food insecurity, the Government had put in place a national poverty reduction strategy focused on rural development, health, education and infrastructure. The extreme poverty of Chad's rural population was also exacerbated by external factors such as the price of cotton, which was a disincentive to African cotton farmers in general. Cotton accounted for over 45 per cent of Chad's non-oil exports, and the enormous subsidies paid to cotton farmers in wealthy countries, including IFAD Member States, should be resolutely condemned. In conclusion, he affirmed his Government's strong support for IFAD's fight against rural poverty, which was manifest in its commitment to the replenishment of IFAD resources.
120. **Mr Harvey (United Kingdom of Great Britain and Northern Ireland) took the Chair.**
121. **Mr KARIM** (Bangladesh) said that the theme of the current session was both relevant and timely, given its critical linkage with poverty eradication and providing as it did an opportunity to focus on strengthening IFAD's role in the revitalization of rural economies with a view to achieving the MDGs.
122. His Government had adopted a twin-track approach to employment generation and poverty reduction, entailing emphasis on the accelerated growth of agriculture and the development of rural non-farm sectors. To that end, it was significantly increasing investment in agriculture and agro-based industry, but international support and cooperation were essential in view of the constraints which it faced.

Although the rapid expansion of non-farm activities had generated new employment activities, marketing support and technological improvements would be needed to improve performance in the sector, where productivity growth had nonetheless remained modest. The innovative microcredit programmes now in place had greatly helped to generate rural employment and improve rural livelihoods and were an effective tool for poverty alleviation and the empowerment of women. Such efforts had been complemented by IFAD-funded projects in rural infrastructure, agricultural diversification and marketing support, the supervision of which would be enhanced by a more direct monitoring and evaluation system. In short, Bangladesh was an ever-willing partner in helping IFAD to achieve its laudable mission to improve the lives of the rural poor.

REPORT ON THE SEVENTH REPLENISHMENT OF IFAD'S RESOURCES (agenda item 5)
(document GC 30/L.2)

123. **Mr WYATT** (Assistant President, External Affairs Department of IFAD), introducing the report on the status of contributions to the Seventh Replenishment of IFAD's Resources (document GC 30/L.2), said that, since the date of the report, further pledges, instruments of contribution and payments had been received from Austria, Finland, Germany, Luxembourg, Morocco, Mozambique, Romania and Yemen. As at the current date of 14 February 2007, total pledges to the Seventh Replenishment consequently amounted to US\$616 million. Countries in a position to increase their pledges were urged to make every possible effort to do so with a view to achieving a replenishment that was as close as possible to the agreed target of US\$720 million. The Seventh Replenishment had become effective on 22 December 2006, when instruments of contribution and payments had been received in an amount exceeding 50 per cent of pledges. He expressed appreciation to Member States for their support in making that result possible. Bearing in mind that Member States deposited instruments of contribution as a way of formalizing their Seventh Replenishment pledges, he urged remaining countries to ensure that the necessary measures were taken to that end. Instruments of contribution already deposited amounted to US\$357 million, or 58 per cent of pledges, while payments for the Seventh Replenishment already made amounted to US\$146 million, equivalent to 24 per cent of the pledged total. Other Member States were encouraged to follow suit by making arrangements for the earliest possible payment of their pledged contributions. Annex III of the report contained information concerning the votes of Member States, updated to 19 January 2007.
124. **Mr FIGUEIREDO** (Portugal) said that his Government had approved the legal procedures required to guarantee Portugal's participation in the Seventh Replenishment and that it would consequently very soon communicate to IFAD the corresponding instrument of contribution. He stressed the importance of providing IFAD with the basic financial instruments to enable it to fulfil its mission. He drew attention to the fact that, despite their extremely poor human development indicators, some sub-Saharan African countries were seeking new and improved solutions to the socio-economic problems of their rural poor. Emphatic proof of solidarity through further joint efforts and cooperation was vital to strengthening the capacities of those countries to that end. With that major challenge in mind, Portugal had responded rapidly and unhesitatingly to the current replenishment initiative. He was nevertheless convinced of the need to explore new ways of strengthening multilateral cooperation through the diffusion of best practices in connection with IFAD-supported projects, failing which achievement of the MDGs would prove more difficult.
125. **Mr EL SAYED MANSOUR** (Egypt) said that the necessary constitutional procedures for the deposit of Egypt's instrument of contribution in the sum of US\$3 million were under way, signalling Egypt's recognition of the importance of IFAD's role in its development and the excellence of its relations with IFAD over the previous 26 years.

126. **The Governing Council took note of the report on the status of contributions to the Seventh Replenishment of IFAD's Resources.**

AUDITED FINANCIAL STATEMENTS OF IFAD FOR 2005 (agenda item 6)
(documents GC 30/L.3 and GC 30/INF.10)

127. **The CHAIRPERSON** said that the Executive Board had reviewed the audited financial statements for 2005 at its eighty-seventh session, in April 2006, and had recommended that they should be submitted to the Governing Council for approval.
128. **Mr HOWE** (Officer-in-Charge, Finance and Administration Department of IFAD) said that the financial statements included consolidated data for IFAD and entities which had a direct link to IFAD's core activities, including supplementary funds. Income from interest and service charges on loans had amounted to US\$45.3 million in 2005, compared with US\$48 million in 2004. Gross income from cash and investments had amounted to US\$71.7 million in 2005, compared with US\$115.2 million in 2004. IFAD's 2005 administrative budget had amounted to US\$61.7 million and the Programme Development Financing Facility (PDFF) to US\$29 million. Since 1997, IFAD had been participating in the Heavily Indebted Poor Countries (HIPC) Debt Initiative, and in 2005 there had been a charge of US\$72.6 million, compared with a restated charge of US\$1.6 million in 2004.
129. The consolidated financial statements for 2006 were currently being finalized and examined by the external auditor, and for information purposes the highlights of the 2006 figures were provided in document GC 30/INF.10. The investment portfolio had had a market value of US\$2.4 billion as at 31 December 2006, compared with US\$2.3 billion in the previous year. Contributions overdue had remained unchanged in comparison with the situation at the end of 2005. The loan portfolio had amounted to US\$4 billion at the end of 2006, compared with US\$3.6 billion in 2005. Loan and grant disbursements had amounted to some US\$411.6 million in 2006, compared with US\$365.7 million in 2005. The financial statements for 2006 would be reviewed by the Audit Committee in March 2007 and presented to the Executive Board for its consideration in April 2007.
130. **The CHAIRPERSON** invited the Council to approve the financial statements showing the financial position of IFAD as at 31 December 2005 and the results of its operations for the year ended on that date, as contained in appendixes A to H, inclusive of document GC 30/L.3 and the report of the external auditor thereon.
131. **It was so decided.**

ADMINISTRATIVE BUDGET OF IFAD AND ITS OFFICE OF EVALUATION FOR 2007 (agenda item 7) (GC 30/L.4)

132. **The CHAIRPERSON** said that, at its eighty-ninth session, the Executive Board had reviewed the proposed budgets of the Fund and its Office of Evaluation and had recommended that they should be put before the Governing Council for its approval.
133. **Mr HOWE** (Officer-in-Charge, Finance and Administration Department of IFAD), introducing document GC 30/L.4, said that the Executive Board, at its eighty-ninth session, had approved the 2007 programme of work of IFAD in an amount of SDR 408.81 million, equivalent to US\$605 million, covering some 34 planned projects. That amount, a 10 per cent increase over 2006 in dollar terms, would be reviewed at each session of the Executive Board with a view to adjustment in the light of available resources. The increase was consistent with the objective of expanding the programme of work by 10 per cent each year over the period of the Seventh Replenishment. The Executive Board had also approved the 2007 PDFF in an amount of US\$33.88 million.

134. The Board further proposed to the Governing Council the administrative budget of IFAD at a level of US\$67.49 million and the budget of the Office of Evaluation at a level of US\$5.687 million. A euro/dollar exchange rate of 0.786 had been used in the calculations. IFAD intended to contain non-operational costs and to reduce the ratio of the administrative budget and the PDFF to the programme of work.
135. **Mr LAVIZZARI** (Director, Office of Evaluation of IFAD) said that the programme of work of the Office of Evaluation had four main priority areas: to conduct selected corporate-level, country programme and project evaluations; to undertake specific tasks required by the evaluation policy and the terms of reference of the Evaluation Committee; to expand evaluation outreach and partnerships; and to develop evaluation methodology. The specific 2007 activities in each area were listed in annex XXVII of document GC 30/L.4. For example, the Office would conduct six country programme evaluations and, in addition to a number of project evaluations, a joint evaluation with the African Development Bank, the first of its kind.
136. The corporate-level evaluation of the Field Presence Pilot Programme, the findings of which were to be presented to the Executive Board in September, was expected to have far-reaching consequences for the Fund's methods of work. As in the past, the Office would prepare its fifth annual report on the results and impact of IFAD operations on the basis of evaluations made in 2006. That report outlined, inter alia, a number of systemic issues and lessons learned with a view to enhancing the Fund's development effectiveness.
137. The 2007 programme of work would be substantially larger than before as a result of the increasing number and the complexity of the evaluations requested from the Office and it would demand a commensurate level of resources. The proposed total administrative budget of US\$5.687 million, an increase of about 11 per cent, had been discussed twice with both the Evaluation Committee and the Executive Board and once with the Audit Committee.
138. **Mr SIR-ELKHATIM** (Sudan) said that, although feeder roads were very important components of rural development, project funds were often not provided for them. IFAD should find some means of providing such funds in all rural development projects.
139. **Mr CHIRAPANDA** (Thailand) said that the Governing Council should certainly approve the proposals. However, although the PDFF was vital to project formulation and implementation, it must not be increased at the expense of corporate efficiency and effectiveness. IFAD was to be congratulated for introducing a number of innovative measures concerning allocation, management and recruitment: such moves were a prerequisite for a successful drive for the Eighth Replenishment.
140. **Mr EL SAYED MANSOUR** (Egypt) said that Egypt endorsed the proposals and hoped that the programme of work would deliver projects and programmes consistent with national policies. It was extremely important to monitor the programme's implementation. Where recruitment was concerned, the qualifications of all candidates should be duly assessed, and country visits should be made for that purpose. Improvement of national policies for the education and training of human resources would both enhance their chances of recruitment to IFAD and benefit the countries themselves.
141. **The CHAIRPERSON** said that the United States of America wished to place on record its abstention on the administrative budget of the Fund.
142. **Resolution 145/XXX on the administrative budget of IFAD and its Office of Evaluation for 2007 was adopted.**

ELECTION OF MEMBERS AND ALTERNATE MEMBERS OF THE EXECUTIVE BOARD (agenda item 8) (GC 30/L.5)

143. **The CHAIRPERSON** said that the List B Member States elected to the Executive Board at the twenty-ninth session of the Governing Council had been so elected for one year, it having been agreed that any proposed changes to or confirmation of that List B membership for the second and third years of the term would be submitted to the Governing Council. Schedule II of the Agreement Establishing IFAD provided that four members and four alternate members should be elected from List B. A list of the List B Member States against which an accounting provision existed under rule 40.1 of the Rules of Procedure was attached to document GC 30/L.5. There had since been no changes to that list. The List B Member States wished to confirm the composition of the members of the Executive Board elected at the twenty-ninth session for the second and third years of the term. The proposed composition of the List B membership as shown in attachment B of document GC 30/L.5 was, as members, Kuwait, Nigeria, Saudi Arabia and the Bolivarian Republic of Venezuela and, as alternate members, the United Arab Emirates, Qatar, Indonesia and Algeria.
144. There being no objections, he declared the members and alternate members elected to the Executive Board.
145. **The elections were approved.**
146. **The CHAIRPERSON** suggested that the final report should record the Council's decision to confirm the List B composition for the second and third years of the term of office.
147. **It was so agreed.**

GENERAL STATEMENTS (agenda item 4, continued)

148. **Mr MASSI** (Central African Republic) said that the tsunami which in December 2004 had devastated parts of Asia and even affected certain African countries had received wide media coverage, leading to unprecedented financial donations. In Africa, populations were affected daily by similar tragedies, with violent armed conflicts, epidemics and natural disasters resulting in the displacement of hundreds of thousands of persons and millions of deaths. As those events were not widely covered by the media, however, they received little international attention. In 2005, the European Union had recognized that numerous African countries were victims of "silent tsunamis" and had earmarked funds for assistance to certain countries in overcoming the consequences; however, the Central African Republic, which was exposed daily to collateral effects of the military crisis in Darfur, had been overlooked.
149. The economy of the Central African Republic was based primarily on agriculture, occupying 2.8 million out of the total population of 4 million. A succession of military crises had finally been resolved with external assistance, and the country had now undertaken to rebuild itself. The World Bank, the International Monetary Fund and the African Development Bank had recommitted themselves to assisting the Government in its reform programme, which augured well for the restoration of security and economic stability. He recalled that IFAD had helped the country some ten years previously by financing two projects designed to offset the breakdown in cotton production in "marginal" areas and stall an uprising of poor farmers; now, it was essential to provide livelihoods for thousands of young people in rural areas who knew only how to wage war. He recognized that the arrears owed by his country to IFAD disqualified it for further loans but appealed for appropriate means to be found to support it in its struggle for peace and rural development. Such support would not only help the population of his country but would also contribute to the security and stability of central Africa.
150. **Mr TACCETTI** (Argentina), highlighting some of the points made by the Governor for Nicaragua on behalf of GRULAC, said that the new results-based models for COSOPs and for IFAD projects would certainly become key tools for achieving the

Fund's objectives. There needed to be a proper, participatory and transparent debate on the question of knowledge management in the light of the results of projects and programmes and the problems encountered, a debate conducted in the official languages of IFAD in terms of both documents and meetings. It was regrettable that the PBAS working group had hardly ever met; that had surely not been the purpose of setting it up. One of the working group's tasks was to determine what type of population indicator should be used in the PBAS. According to FAO the world's urban population was now bigger than its rural population, with large numbers of persons dependent on agriculture for their subsistence crowded around the cities. Given such a critical and variable situation, IFAD should adapt its policies flexibly to the new realities.

151. IFAD and Argentina had worked successfully together on several rural development projects, but the two new projects approved in 2006, for Patagonia specifically and for rural areas in general, were truly promising. And special mention should be made of the support furnished by IFAD to the meeting on family-based farming of the Southern Common Market (MERCOSUR). But none of the Fund's great expertise and good intentions had any meaning unless they were used to provide genuine assistance for the benefit of actual people. All efforts must be directed to creating a fairer world.
152. **Mr ONORIO** (Kiribati) said that his Government looked forward to a partnership with IFAD that was beneficial for the rural poor in Kiribati and elsewhere. He hoped to confirm his country's contribution to the Seventh Replenishment soon after the end of the current session.
153. Kiribati, which consisted of 33 islands, had particular development problems owing to its remoteness, insularity, narrow economic base, small population size and high population growth. Diseases including the HIV/AIDS pandemic and tuberculosis took up a large portion of the meagre resources for development. Furthermore, its survival as a nation was threatened by the sea-level rise due to global warming. He hoped for a unified response by the international community to those particular problems facing small island States.
154. In Kiribati most food was imported. To ensure food security, steps had been taken to increase production of mainly indigenous food crops. Food production had increased with the setting up of farmers' cooperatives in cooperation with FAO. He proposed that IFAD might help in setting up agricultural training centres in the outer islands and capacity-building for agricultural extension officers and local farmers, and in providing technical assistance and seed funding to improve local capacity to start self-sustaining activities at the grass-roots level. In that respect, he welcomed the Strategy Paper for Pacific Island Countries and the technical assistance grant for the Mainstreaming of Rural Development Innovations Programme in the Pacific. Capacity-building at the grass-roots level should not require substantial financial resources, but it could contribute greatly to helping the rural poor in the Pacific.
155. **Ms MORRIS** (United States of America) commended IFAD's progress in implementing agreed policies and reforms, including a timetabled action plan; concrete performance indicators; a strengthened PBAS; a debt sustainability framework; strengthened anti-fraud and anti-corruption measures; and increased transparency measures which, with the recently revised policy on documents disclosure, placed IFAD at the forefront of transparency among its peer institutions and would make for more cost-effectiveness and accountability. She likewise welcomed progress in PBAS implementation including, for instance, the elimination of regional allocations for the 2007 lending programme and the reduced weight of population.
156. She noted that the commitments to sub-Saharan Africa would be sustained and recognized IFAD's valuable contribution to the international dialogue on the

performance of the rural sector and to the identification of important performance indicators. She supported IFAD's new results-based country operating model bearing in mind that success depended on the effectiveness of projects, which should be innovative, scalable and focused on critical rural sectors. They should also be well designed and implemented and should be associated with valid monitoring and evaluation systems throughout the project cycle. IFAD had a unique opportunity to show leadership and achieve results through successful implementation of its new supervision and implementation support policy, in conjunction with a new quality assurance mechanism.

157. The United States had not supported IFAD's proposed administrative budgets of the previous two years because they were above zero real growth; rather than automatically accepting externally determined wage increases that were well above inflation, IFAD should conduct a more complete and transparent zero real growth analysis of its budget, including a comparison with local and international inflation indices. In that context, she looked forward to the proposed budget framework consistent with the Action Plan and using the same key performance indicators as other multilateral development banks. While welcoming the new management team, she urged the implementation of other human resource measures to align employee capacities with organizational needs and the creation of an incentive structure that rewarded excellent performance, as primarily defined by the concrete results of IFAD projects.
158. **Ms PEPPLE** (Nigeria) said that she hoped that the current session would successfully reinforce the global resurgence of interest in the ever-deepening crisis of rural poverty. Essential measures to that end included improved official development assistance for capacity-building and technology transfer; debt reduction or cancellation; and the creation of a fair and equitable trading system. A beneficiary of partial debt cancellation, Nigeria was using the funds thus released towards achievement of the MDGs in various sectors. It had also initiated structural and institutional reforms aimed at a more equitable allocation of resources among its three tiers of government; the empowerment of local governments and rural communities; and the establishment of sustainable savings and credit mechanisms for rural communities. She commended IFAD's work in partnership with Nigeria. The challenge facing the Fund was to concentrate its exposure in areas in which it had a comparative advantage and to provide leadership in knowledge generation and innovative strategies for tackling rural poverty.
159. She noted with satisfaction the 10 per cent increase in the programme of work and the focus in the PDFF on, inter alia, improving portfolio performance and the quality of field operations and country programmes. Also to be commended was the decrease in the administrative budget. Regarding the programme of work and budget of the Office of Evaluation, Nigeria looked forward in particular to the proposed joint evaluation by IFAD and the African Development Bank. She was further pleased to note that the machinery for PBAS fine-tuning was being put in place. Regarding the work on corporate governance, the lack of concrete recommendations on such key issues as the membership structure of the Executive Board, the voting rights of its members and improvement of its oversight effectiveness was regrettable. Efforts to find an amicable way forward on those issues should therefore be pursued. She concluded by welcoming the appointment of such an accomplished Nigerian as Mr Nwanze to the position of Vice-President of IFAD.
160. **Mr KUMAR K.C.** (Nepal) drew attention to the continuing discrepancy between a more prosperous world overall and the millions still unable to eke out a meagre livelihood, making it unlikely that the MDGs relating to poverty and hunger would be attained. Agriculture offered potential for employment, livelihood security and poverty reduction, but to achieve that end new technologies must be fairly shared

and readily accessible to all, and developing countries should be assisted in their efforts to build their capacities in research and widen their access to markets.

161. Although Nepal had adopted a development agenda in order to fight poverty and food insecurity, no considerable increase in agricultural productivity had yet materialized and average household incomes were low. Problems included the small size of landholdings, agro-climatic diversity and resource variations across regions, and the poor internal distribution system. Higher agricultural productivity through an integrated package of inputs and services had been adopted as the tool for poverty alleviation. Impressive achievements in poverty reduction in the last decade had been largely offset by the socio-economic costs of the prolonged internal conflict. Following the recent peace agreement, Nepal was now launching a new three-year poverty alleviation plan, with the major thrust on rural reconstruction and rehabilitation of rural livelihoods and the necessary basic infrastructures. It therefore applauded the choice of rural employment and livelihoods as the theme of the current session. In that connection, the focus should be extended to include the off-farm sector.
162. In conclusion, referring to a new COSOP recently agreed between his Government and IFAD, he urged the Fund to consider debt-relief schemes and grant-aid modes of investment in programmes for countries with conflict-ridden economies such as his own.
163. **Mr DAGA** (Mali) said that in order to confront the difficulties of a very poor and predominantly agricultural country Mali was introducing profound structural reforms in its agricultural sector. The latest such move was the formulation of a strategic framework for growth and for poverty reduction in accordance with the MDGs. The theme "Rural employment and livelihoods" underlined the core role of agriculture as a source of sustainable livelihoods; in Mali 80 per cent of the working population were employed in the farming sector. But their working conditions must be improved if their potential was to be fully realized. That applied to women and young people in particular, and a number of programmes had been introduced to help them. One focus of Mali's rural development programmes was to secure recognition of the vocational status and full social rights of all farm workers – a genuine revolution for his country. IFAD-supported activities in Mali, which were consistent with Mali's own rural development plans, would enable the country eventually to force poverty levels down.
164. He commended the progress made in the implementation of the Action Plan, in particular the targeting policy, the policy on supervision and implementation support, the new models for project/programme proposals and COSOPs, and the Field Presence Pilot Programme. Mali wished to participate in that Programme in view of the Fund's major role in its northern regions. It welcomed the improvements made in the PBAS and the approval of the Associate Professional Officer Programme, which the Governing Council should consider expanding. However, it was regrettable that the consultations on such matters as membership of the Executive Board and voting rights had not reached a conclusion; the wish of the developing country Members to revert to the initial balance was still justified. In conclusion, he announced that, despite its economic difficulties, Mali had decided to contribute US\$100,000 to the Seventh Replenishment, a historic increase of 900 per cent over the previous exercise.
165. **Mr KABASHI EISA** (Sudan) said that recent political developments in the Sudan augured well for the establishment of stability, security and peace, which, combined with the support of regional and international organizations, would ensure the country's socio-economic development. With economic reforms under way, the climate was now conducive to foreign investment.
166. The majority of Sudanese inhabitants were dependent on agriculture for their livelihood and remained in poverty owing to such factors as the over-exploitation of

available resources, environmental degradation and lack of rainfall. He therefore appealed to donors to support his country's policies and programmes. The Sudan also looked to the HIPC Debt Initiative as a means of resolving its foreign debt crisis, which had paralysed its development. While it was still denied financing by major institutions, it had, according to International Monetary Fund reports, a good economic record, and had embarked on a 25-year development strategy that included an ambitious agricultural plan for which the Government had earmarked the necessary funds. It looked forward to benefiting from NEPAD and other programmes and projects, and from the efforts of the Common Market of Eastern and Southern Africa to finance institutional development projects and promote marketing information systems.

167. Commending the Fund's cooperation with the Sudan, he said that further IFAD support in the eastern part of the country in particular would help to promote lasting peace. At the bilateral level, the Sudan played an important role in achieving food security for its own people and for neighbouring States, with which it coordinated action on such matters as combating transboundary pests and diseases, information exchange and training. He expressed gratitude to all the countries and organizations which had helped to promote peace in the Sudan and affirmed his Government's commitment to the payment of its contribution to the new replenishment.
168. **Mr DA ROCHA MIRANDA** (Brazil) said that he particularly endorsed the point made by the Governor for Nicaragua on behalf of GRULAC that it would be desirable for the Latin American and the Caribbean region to be represented at the highest levels in IFAD, for it was most important to maintain the Fund's multi-regional character. Brazil welcomed the start made on implementing the Action Plan. In fact, Brazil took a positive view of the work of IFAD in general because of its comparative advantage over other international institutions funding development. However, more time should be allowed, and more effective arrangements put in place, for prior discussion of the Action Plan and for further interaction between the management and the Member States before the issues were brought before the policymaking bodies.
169. IFAD should step up its support in the form of technical assistance and loans for middle-income countries, since such countries, including Brazil, still had pockets of extreme poverty in rural areas: the war on poverty must be waged without distinctions based on geographical location. Brazil agreed with the other GRULAC countries that the PBAS could still be improved, and adjustments made to avoid regional marginalization, which had negative effects on smaller countries, many of them in Latin America and the Caribbean. As GRULAC had many indigenous populations its members urged IFAD to manage the Grants Facility for Indigenous Peoples transparently and fairly in terms of resource distribution. Brazil welcomed the increased cooperation between IFAD and the Community of Portuguese-speaking Countries and the proposed formal agreement between the two bodies.
170. **Mr GUE** (Haiti) said that the theme chosen for the current session of the Governing Council directly addressed the situation in his country, where there was widespread unemployment in rural areas and an alarming increase in rural poverty due to a mass exodus to the large towns, particularly by the young. Nevertheless, agriculture remained the most important sector of the national economy, contributing up to 30 per cent of the GDP and involving two thirds of the population. Unfortunately, poor agricultural methods and bad soil management meant that most farms, with a mean area of less than two hectares, could not meet the family's food needs and provided less than one half of the family income.
171. Despite the difficulties, the country had much potential, including a young rural population, mainly organic agricultural production, remarkable biodiversity, underexploited irrigation resources and possibilities for ecotourism. His

Government, with the help of international partners, was endeavouring to make the most of that potential, create employment, increase production and income, alleviate poverty and curb the rural exodus and migratory flows. To that end, it was taking steps to intensify agricultural production on a sustainable basis, improve the institutional and legal framework in the agricultural sector and harmonize public, private and international efforts. Since the 1980s, IFAD had financed several agricultural development projects, and an agreement had recently been signed to finance a technical assistance programme for irrigation that would involve IFAD, the public sector and private associations. With the support of IFAD, the Government hoped to increase its efforts to improve rural livelihoods by involving local communities in the choice, implementation and follow-up of projects to promote economic and social progress in rural areas. He hoped that the discussions at the current session would enable IFAD to intensify its collaboration with the least developed countries.

172. **Mr FAQEERA** (Yemen), welcoming the current session's theme, said that his Government devoted particular attention to rural development and looked forward to building on the significant progress already achieved over the previous 30 years. Agriculture was a cornerstone of Yemen's economy; rural inhabitants accounted for 75 per cent of the population and over one half of the workforce was employed in agriculture, hence the vital need for more support in the fight against poverty.
173. Yemen's longstanding partnership with IFAD was set to develop further. IFAD had made a welcome financial commitment to Yemen's new five-year plan, which was now under way. Yemen's efforts to alleviate poverty and achieve socio-economic development were in line with the Fund's own objectives and with the MDGs. Its economic and political reform programme had created a favourable climate for the further investment that would be needed to raise living standards and create employment in rural areas, and an international investment conference to be held in Yemen in April 2007 would provide a suitable occasion for exploring such investment opportunities.
174. Yemen had increased its commitment to the Seventh Replenishment by 20 per cent and also hoped that its country portfolio would be expanded. It had always supported the PBAS but emphasized the importance of improving the criteria applied through such mechanisms as continuous monitoring of project portfolios. Yemen would do its utmost to fulfil its new responsibilities as a member of the Executive Board and looked forward to strengthening its relationship with IFAD and the other Rome-based United Nations agencies. He commended the work of the International Land Coalition and the Global Mechanism of the UNCCD, and looked forward to the activities planned for West Asia in 2007 as part of the Designing Integrated Financing Strategies initiative under the Regional Programme for Sustainable Development of the Drylands of West Asia and North Africa.
175. **Mr ENDO** (Japan) said that in many developing countries rural development assistance had a twofold significance in poverty reduction: raising the incomes of the rural poor and creating employment in rural areas, and boosting economic growth in predominantly agricultural countries. Japan's assistance for agricultural development was based on the concepts of human security, comprehensiveness and fairness.
176. Human security, associated with ownership by developing countries, meant strengthening people's capacity to cope with threats to survival and raise their own living standards through, inter alia, participation by local communities and the creation of employment opportunities. The new IFAD strategy embraced that concept. The comprehensive approach to assistance meant that all aspects of agricultural activity were taken into account. Cooperation between IFAD and Japan to ensure complementarity between Japan's New Rice for Africa initiative and the Fund's assistance to communities would produce positive effects in terms of

development and sustainability. Fairness had much to do with the reduction of regional disparities in developing countries. In view of the importance of promoting local industries on the basis of local resources in order to create jobs in sectors other than agriculture, Japan wished to report an innovative initiative called the "One Village, One Product Campaign" which had originally been launched to revitalize a village in Japan but had now been taken up in a number of Asian and African countries. In conclusion, he stressed the role of IFAD as a unique catalyst for raising agricultural production and productivity.

177. **Mr ROCA CÁ CERES** (Peru), endorsing the statement made by the Governor for Nicaragua on behalf of GRULAC, stressed the importance Peru attached to combating rural poverty, as reaffirmed by President García Pérez.
178. The PBAS was a useful tool for channelling resources to countries to meet their actual needs, but the system could be improved and adapted to the new realities. Peru therefore supported the PBAS working group, which was reviewing the system's indicators and criteria. It should give careful consideration to the question of replacing the indicator "total population" by "rural population", especially in the light of internal migration from rural to urban areas, a problem which could be solved by allocating adequate resources to encourage the repopulation of rural areas. The new population indicator to be introduced in 2008 must take care of that point.
179. In the case of both of the IFAD-supported projects currently in operation, and indeed in previous projects, Peru was proud to be held up as an exemplary recipient in terms of impact on beneficiary populations, management efficiency, suitability of project design and use of available resources. It was to be hoped that the Executive Board would shortly approve the project to be implemented in 2007 in the south-east and south-centre of Peru where poverty was widespread as a result of the extreme violence of the 1980s and 1990s. Peru wished to continue to receive the Fund's assistance not least because of its impacts in the Government's priority areas: improvement of the quality of farm output, conservation of natural resources and enhancement of the role of women. Those aims were addressed in an ambitious agricultural development programme in the Peruvian Andes, which IFAD could usefully take into account in a new COSOP.
180. **Mr MUTABAZI** (Burundi), saluting IFAD's sustained efforts to help the rural poor, said that the current session's theme was particularly well chosen, especially in the light of Burundi's chronic food insecurity: 90 per cent of the inhabitants of a densely populated country with a high birth rate practised subsistence farming in difficult conditions and with rudimentary tools; and the low rates of urban development and industrialization offered few non-farm job opportunities. The result was high rates of unemployment and underemployment in the countryside. The situation was exacerbated by development policies which favoured the towns over rural areas, low levels of public and private investment in rural industrialization, the scant processing of farm products, the lack of interest in rural affairs on the part of Burundi's elites, and the unsuitability of donor-funded rural development projects. In order to remedy the situation Burundi proposed that investment in rural industrialization should be stepped up, that donors should give more attention to income generation, that the processing of farm products should receive the necessary attention from governments and ODA sources, and that farm products should command fair prices.
181. Burundi was suffering famine and hardship as a result of drought in 2006 followed by heavy rains. Dozens of people had starved to death, the already severe rate of malnutrition had worsened, crops had been lost and large numbers of people had migrated to neighbouring countries in search of food. The disastrous situation had come about at a time when the country was rebuilding itself after a long internal conflict and its most serious effects were felt in the rural areas. Two IFAD-funded

projects were currently under way, and the Government and all the beneficiaries were grateful to IFAD for its efforts, which stood as a symbol of strong international solidarity and an example to other cooperation partners. The Government appealed to IFAD and all its other partners to examine further ways of helping the people afflicted by famine and strengthening the rebuilding programmes. Despite its lack of resources Burundi was pledging US\$10,000 to the Seventh Replenishment.

182. **Mr BRISCOE** (United Kingdom of Great Britain and Northern Ireland) said that 2006 would be remembered as the year in which IFAD had had the opportunity to further the United Nations' development effectiveness through the High-level Panel on System-wide Coherence. That opportunity must now be seized. It was only through a stronger United Nations that there was hope of addressing today's interrelated global issues. There was now unprecedented agreement about the need for more rapid achievement of the MDGs and the creation of a more effective multilateral system for that purpose.
183. IFAD had an important role to play in that respect, and he welcomed its commitment to participating in the country pilots that were evolving from the Panel's recommendations. As IFAD began to implement its Action Plan, he encouraged the Organization to continue focusing on its objectives, in complementary partnerships with others. The United Kingdom supported IFAD's Action Plan for institutional strengthening, and his country was ready to provide additional funds for aligning human and financial resources with strategic objectives. He commended IFAD for producing Action Plan deliverables on time and looked forward to increased impact at the country level. IFAD's unique role was to develop innovative solutions that could be replicated and scaled up by others. That strategy of innovation should be accompanied by effective knowledge management to capture and disseminate lessons learned. He commended the IFAD policy of ensuring quality by setting priorities on the basis of results. His Government supported IFAD's full participation in the HIPC Debt Initiative, welcomed its access to the HIPC Trust Fund and encouraged full financing and implementation.
184. **Ms LIVNAT ROSINER** (Israel) said that the theme of the session addressed one of the new challenges imposed by the fast-moving social, economic, political and technological environment. Israel provided aid through the development programme of the Israeli Center for International Cooperation, in collaboration with the United Nations Environment Programme (UNEP) and other agencies. Her Government considered that the agencies should work together more closely to avoid duplication and that the management of funds and resources should be improved. Furthermore, multilateral country development projects should be managed transparently, with sharing of knowledge and donor resources to allow better delivery of humanitarian aid.
185. She regretted the remarks made at the current session by the Secretary-General of the Cooperation Council for the Arab States of the Gulf. Her country had a vested interest in improving the Palestinian economy, for the benefit of both sides. She said that 96 per cent of wells in the West Bank were on the eastern side of the defensive fence built by Israel; at locations where the fence crossed existing water systems, alternative infrastructure had been installed. Dozens of gates had been created to enable Palestinian farmers to reach their fields, despite the security risk. Researchers from both Israel and the Palestinian Authority were conducting a transboundary river restoration project, so that the water could be used for irrigation. The rockets fired on northern Israeli towns during the war with Lebanon had not only killed Israeli civilians but also severely damaged crops, livestock and the environment.
186. Israel would like to see its neighbours achieve the MDGs and had been collaborating with other countries and international organizations to assist them in that respect, sharing its experience and providing financial support. Israel welcomed all

initiatives for such cooperation with regard to water resources, land development and rural employment and would gladly share its competence in alternative energy, water management and use, water and post-harvest technology, and marketing, in order to further rural development and poverty eradication and ensure rural employment and livelihoods.

187. The meeting rose at 1 p.m.

- (iv) Summary record of the fourth meeting of the thirtieth session held on Thursday, 15 February 2007, at 3.40 p.m.

CHAIRPERSON: JAMES HARVEY (UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND)

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188. **The meeting was called to order at 3.40 p.m.**

GENERAL STATEMENTS (agenda item 4, continued)

189. **Mr SURUMA** (Uganda) said that 85 per cent of Uganda's population lived in rural areas and that the proportion living below the poverty line had fallen from 44 per cent in 1992 to 31 per cent in 2006. The target set in the MDGs of reducing poverty and hunger by half by 2015 was within reach, but the challenge remained an enormous one. Uganda's poverty eradication plan sought economic growth led by the private sector, which included smallholders constituting 75 per cent of total households, and focused on the sub-county level as the basic planning unit. The sub-counties were being assisted in developing economic institutions to promote community organizations, channel government assistance and information management, and facilitate microfinancing and the establishment of production and marketing cooperatives.
190. Funds were being invested in a community information system to report on local economic and social conditions and the state of the infrastructure. In the efforts to increase incomes care must be taken not to treat partial solutions as total solutions, for example by increasing production without being able to sell the products. Uganda was aware that the task of securing sustained incomes for farmers was in fact a complex one which must be tackled in all its aspects, from the initial access to loans to the eventual marketing of the products. Uganda also believed in creating self-help institutions backed by government training and supervision. Uganda was grateful to IFAD for its consistent support over many years. It was owing to such support that Uganda had made decisive progress in poverty reduction.
191. **Mr PACAVIRA** (Angola) concurred with the President of IFAD in stressing the importance of investing in agriculture as the basis for economic development. Following the establishment of peace in 2002 his Government had introduced a series of measures to relaunch the national economy and enhance the people's economic and social welfare. As a result, Angola was no longer considered to be a country at risk and private investment was increasing. The measures taken included income-generation and capacity-building programmes. The food supply had improved without basic food prices undergoing any substantial change, but there was still a large cereals deficit, and food insecurity persisted in some regions; in that connection the IFAD project for the central plateau would be very useful.
192. Turning to the agenda of the session, he said that the theme "Rural employment and livelihoods" was of great relevance for Angola because it was struggling with an unemployment problem which was especially serious in rural areas. Angola was pleased that the Seventh Replenishment had become effective and hoped to announce its contribution shortly. The increase in the budgetary allocation for the programme of work was also welcome and ought to lead to an increase in the number of projects. The recommendation concerning the maintenance of the level of resources assigned to Africa should be followed. The implementation of the PBAS was giving rise to some concern, for it had produced a decline in the amounts allocated to projects in Angola for 2007-2009. The country's economic performance had certainly improved in recent years, but it still counted on the Fund's support in tackling its many problems. Angola welcomed the increased collaboration between IFAD and the Community of Portuguese-speaking Countries, which could well include joint efforts to assist Angola.
193. **Mr RUZINDAZA** (Rwanda) said that Rwanda was now engaged with its partners on the second phase of short-term planning for attainment of the MDGs entitled Economic Development and Poverty Reduction Strategy; the aim was to expand the production sectors in order to combat poverty. The first planning exercise had been evaluated and lessons drawn for the future. On that basis and following a

household survey, a number of priorities had been set for boosting the productivity of agriculture and raising farm income, all supported by decentralization of outreach services, research for development, improved financial arrangements, and strengthened public-private partnerships. Rwanda was also committed to introducing measures to improve project management.

194. Current land legislation gave farmers the exceptional power to use their land as security for loans or as a contribution to a partnership with a private entity. Rwanda urged donors to align themselves with its aid policy, which was in fact a translation of the Paris Declaration for the Least Developed Countries into national policy. It appreciated the role played IFAD in the fight against poverty and in particular in the formulation of Rwanda's strategic framework for the transformation of its agriculture sector. Rwanda remained firmly committed to working with all its partners to eradicate rural poverty.
195. **Mr PARASURAM** (India), welcoming the theme of the current session, said that India had long recognized the need to expand opportunities for sustainable employment for men and women in rural areas. His country had experienced unprecedented growth over the previous few years, which had resulted in a better quality of life for many people. Nevertheless, India's population was predominantly rural, and a large percentage lived below the poverty line. The Government was striving to ensure that development was inclusive and that the benefits reached the poorest as rapidly as possible.
196. The poor could overcome their poverty if they could earn a sustainable livelihood, either on their own land or in continuous employment. In the current global context, in order for a poor family to feel secure in its ability to earn a living, its members had to have the necessary skills, physical and intellectual assets and finance and to be empowered to engage politically and socially with the outside world. The rural poor who were unable to earn a living migrated, either seasonally or permanently, disrupting the family structure. It was therefore essential to generate meaningful rural employment, to ensure that the rural poor had the capacity to avail themselves of the opportunities offered and to add maximum value to products sent to the market. He hoped that those issues had been discussed at length at the round tables.
197. IFAD projects had contributed significantly to the Government's efforts to fight rural poverty. A new project for social and economic empowerment of women, approved by the Executive Board at its most recent session, was designed to address the provision of finance, improvements in agriculture and generation of non-farm employment. He was confident that India's partnership with IFAD would not only result in sustainable outcomes for the poor but also give rise to innovative and replicable ideas for use in India and in other countries.

PROGRESS REPORT ON IMPLEMENTATION OF THE PERFORMANCE-BASED ALLOCATION SYSTEM (agenda item 9) (GC 30/L.6)

198. **Mr CLEAVER** (Assistant President, Programme Management Department of IFAD), introducing the report, recalled that in April 2006 the Executive Board had agreed to revise the formula used to determine loans and country grant allocations to reflect a revised weight of population and hence improve the "point of balance". Population was still a significant determinant of country needs, but at the same time, performance and gross national income (GNI) per capita had a strong role. The Board had also agreed that IFAD would continue to implement the PBAS on the basis of a three-year lending and allocation framework, in which allocations were made only to active borrowers. The needs and performance parameters on which the allocations were based had resulted in country scores and allocations for 2006 and 2007 and indicative allocations for 2008 and 2009, which were shown in tables in the report.

199. In situations in which it was not possible to deliver commitments against ex ante country allocations within the allocation period arising, the unused allocation would be redistributed through the prevailing PBAS system. That approach had been followed for the loans and country grants presented to the Executive Board in 2006, using the PBAS methodology and scores and thus ensuring the integrity of the performance-based allocation process and the use of all funds available for commitment.
200. He announced that in 2008 IFAD would be hosting the annual technical meeting of the increasing number of donor agencies that had similar PBAS approaches, in order to share lessons and experiences, an important exercise in view of the evolving nature of the system.
201. **Mr YUN** (Democratic People's Republic of Korea), noting that the report stated that IFAD had allocated resources to "active" and "non-active" member countries for the next three-year period, said that the list of "active" countries appeared to be incomplete, as it did not include certain countries that were eligible for loans. He considered that the PBAS and its administration should be improved so as to include, rather than exclude, countries on the basis of the principles of justice, transparency and absence of prejudice.
202. **Mr EL SAYED MANSOUR** (Egypt) affirmed the importance of reviewing the PBAS in order to ensure that all the components of the new system that would ensure sustainable agricultural development in developing countries were applied.
203. **Mr MORUPISI** (Botswana) said that some States might be considered "non-active" because of the weighting system related to the ability of countries to borrow and pay back loans. The fact that countries like his own could pay back loans did not mean that they did not have very poor people who could benefit from IFAD grants and funding. In his Government's view, the internationally used weighting system prevented countries from receiving assistance that might alleviate poverty in extremely vulnerable areas.
204. **Mr CLEAVER** (Assistant President, Programme Management Department of IFAD), replying to the representative of D.P.R. Korea, said that, as no additional loans to that country were envisaged in 2007, 2008 or 2009, since no new project was under preparation, the relevant parameters had not been entered into the system, which explained why its name did not appear in the list of "active" countries.
205. Responding to the representative of Egypt, he agreed that the system was new and said that it was being used primarily by international financial institutions, but it was evolving. Consultations with those institutions were helping IFAD to adapt the system to needs.
206. Replying to the representative of Botswana, he confirmed that use of the formula for allocations under the PBAS meant that countries which were active borrowers, i.e. which had a project planned in the following three years, such as Botswana, were in the system and would have an allocation. The amount of the allocation depended, however, on the formula: population size and performance were weighted more heavily than per capita income. Countries like Botswana, with a relatively high per capita income, would indeed receive a reduced share. Nevertheless, he acknowledged Botswana's needs and noted that a project was under way in that country, with a corresponding allocation, and he looked forward to further collaboration.
207. **Ms SQUEFF** (Argentina) said that her country had signed a rural development project agreement for Patagonia in November 2006 and that the Executive Board had approved another Argentine project in December 2006. The tables contained in the annex to the progress report, however, showed the total country allocation for 2007-2009. She therefore requested clarification concerning the signature and approval of those projects.

208. **Mr CLEAVER** (Assistant President, Programme Management Department of IFAD) said that those two loans for Argentina had been approved by the Executive Board for 2006. As in the case of several other countries, however, Argentina had no future allocation because there were no projects in the pipeline for Argentina in 2007, 2008 or 2009. The tables annexed to the progress report showed only new commitments for which future allocations were required. He gave his assurance, however, that IFAD would honour all of its existing commitments.
209. **Mr NTIRANYIBAGIRA** (Burundi) said that, despite the efforts made to improve the PBAS, beneficiary countries such as his own did not receive the relevant information in a sufficiently timely manner, which gave the false impression that they had not participated in the process.
210. **Mr CLEAVER** (Assistant President, Programme Management Department of IFAD) agreed that such automatic and formulaic systems generally tended to be arbitrary, the reason being that they were designed to be as impartial and empirical as possible, with no judgement involved. It was a weakness that had generated similar unfavourable feedback from many other delegations. Burundi, however, had substantially benefited from the PBAS; it so happened that application of the formula had automatically generated a good result, whereas the same could not be said for others.
211. **Mr AL HABIB** (Iran, Islamic Republic of), noting that GNI per capita and high population were important factors in the allocation of resources, requested an explanation as to why certain countries with a high GNI per capita and low population had received a substantial allocation for 2007-2009.
212. **Mr CLEAVER** (Assistant President, Programme Management Department of IFAD) said that country allocations were made only if a project was under preparation. Countries with higher populations, such as China and the Islamic Republic of Iran, tended to receive larger allocations than countries with a high GNI per capita, while countries that had performed well on the basis of the relevant indicators also tended to receive larger allocations. More problematic in his view – and more widely disputed – were the performance rankings. The weakness lay in the performance indicators, which remained imperfect, despite ongoing improvements. It should be borne in mind that the allocation depended essentially on a mathematical formula.
213. **Mr TENSUE** (Eritrea) said that it was very difficult to ascertain the effectiveness of the PBAS in view of the changes made since it was first tested. Establishing an allocation system undoubtedly involved a learning process. He nevertheless wondered when a set method would finally be established.
214. **Mr CLEAVER** (Assistant President, Programme Management Department of IFAD) said that such systems could more accurately be said to take into account a combination of performance and need. It should be recalled that the Executive Board, and its counterparts in other international financial institutions, had stressed the importance on basing allocations on performance. It was quite true that, under the PBAS, insufficient funds were allocated in cases where the needs were great but the performance poor. On the other hand, a combination of high needs and good performance would generate substantial resources not only from IFAD, but also from other international financial institutions, which should serve as an incentive to improve performance.
215. **The Governing Council took note of the progress report on implementation of the performance-based allocation system, together with the comments from the floor.**
216. REPORT ON LESSONS LEARNED BY THE INTERNATIONAL LAND COALITION (agenda item 10) (document GC 30/L.7)

217. **The CHAIRPERSON** recalled that the International Land Coalition, founded and hosted by IFAD, was an alliance of civil society, intergovernmental and governmental organizations. The report summarized the lessons learned from the Coalition's work to improve secure access by rural poor households to natural resources, especially land, in the countries and regions where the Coalition was currently active.
218. **Mr MOORE** (Director, International Land Coalition) said that, in 1995, IFAD had provided the vision that had led to the creation of the multi-stakeholder International Land Coalition, which aimed to put into practice a pro-poor land agenda. It had been founded on a common agreement that the revival of agrarian reform was central to ensuring access by the rural poor to the assets needed to overcome poverty on a sustainable basis.
219. During 2006, the Coalition had focused on achieving practical results at the country level and in regional activities in four areas of action. First, it had used the important access opportunities provided by its link with the United Nations family to play a convening role designed to facilitate policy dialogue between civil society organizations and their governments in eight countries, the aim of which was to promote inclusive land policies and the active involvement of institutions representing rural people. Secondly, it had expanded its advocacy and policy work in order to widen policy analysis and deepen understanding of key land issues. In its effort to ensure that those issues were placed on global and national agendas, the Coalition had collaborated with FAO by supporting the participation of a large delegation of farmer and peasant organizations at a conference on agrarian reform and rural development in Brazil, in which it had itself actively participated. Additionally, it had convened a ministerial round table for the fourth consecutive year at the High-level Segment of the Economic and Social Council, coincidentally on the theme of rural employment and the importance of land rights in that connection. Thirdly, the Coalition had provided support for the strengthening of civil society networks in 40 countries in order to build collective empowerment, share knowledge and scale up successful experiences. Lastly, it had focused its members' attention on strengthening its future performance, and in that context it had benefited from the recommendations produced from an IFAD-commissioned external evaluation.
220. The Coalition could not have achieved any of its outcomes in 2006 without IFAD support and the collaboration of the Global Mechanism of the UNCCD and the Belgian Survival Fund. The earlier contribution of the World Bank continued to support the Community Empowerment Facility, while Coalition country-level programmes were directly supported by Belgium, Canada, the Netherlands and Switzerland. The year 2006 had ended on a very encouraging note with the signing of a significant two-year contribution from the European Commission and positive prospects from two other donors, each of which was considering multiyear support to the Coalition's institutional and future programming work.
221. **Mr HERNÁNDEZ LARA** (Mexico) welcomed the information just given about work accomplished and planned, and about funding. Providing the poor with access to land remained the top priority. Mexico had been trying to open up channels of communication for its poorest people. One example was an arrangement for farmers and other producers to participate in a more structured policy designed essentially to eliminate rural poverty. A whole programme had been based on increased autonomy, decision-making capacity and support for women and young people, with measures to facilitate the establishment of grass-roots organizations and groups. Rules were to be formulated for solving specific problems through special courts. The new agricultural information system would enable Mexico to see exactly how the situation stood.

222. **Mr MOORE** (Director, International Land Coalition) said that the Coalition had taken action to ascertain why the initiatives to establish secure access to property for women were not achieving the expected levels of success. It had in fact produced a report in conjunction with IFAD and FAO on improvement of women's property rights in terms of the Convention on the Elimination of All Forms of Discrimination against Women, and a major project was to be launched in 2007 to look into the problem more fully. The comments of the representative of Mexico on the importance attached to women's property rights in his country were encouraging.
223. **Ms SQUEFF** (Argentina) asked if the Director could comment on the joint activities undertaken with FAO in the light of the outcomes of the International Conference on Agrarian Reform and Rural Development held in Porto Alegre, Brazil, in 2006. The final conference report of the meeting referred to the important role played by FAO in that field over the years; perhaps the Porto Alegre conference marked the beginning of a new stage of cooperation.
224. **Mr MOORE** (Director, International Land Coalition) said that the Porto Alegre conference had indeed recognized the instrumental role of FAO in putting land issues on the global agenda. The Coalition was discussing, as were IFAD and FAO, how to contribute to the implementation of the outcomes of the conference. FAO was investigating three regional technical cooperation programmes, and it appeared that there would be an overlap with the countries in which the Coalition had gained experience of cooperative activities. It was important for the FAO Member States to address the issue more fully in the appropriate FAO committees. FAO was in fact seeking clear guidance from its membership as to how to proceed. The Coalition was working closely with FAO on the relevant topics, including women's access to property and security of tenure in forest areas.
225. **The Governing Council took note of the report on lessons learned by the International Land Coalition.**

PROGRESS REPORT ON THE GLOBAL MECHANISM OF THE UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION (agenda item 11) (GC 30/L.8)

226. **Mr MERSMANN** (Managing Director, Global Mechanism) said that the Fund's Strategic Framework and new operating model offered fresh opportunities for cooperation with the Global Mechanism on the alignment of the IFAD portfolio with country development programming and harmonization of its country-level interventions with those of the international community. As a provider of specialized financial advisory services the Global Mechanism was a natural partner of IFAD, for its comparative advantage lay in its technical competence in the mobilization of resources for sustainable land management within the framework of rural development, including with regard to IFAD-supported projects. The great advantage of the hosting arrangement with IFAD was clear from the increased resource flows generated: the joint review of the Fund's loans and grants of relevance to the United Nations Convention to Combat Desertification (UNCCD) had revealed an increase from 35 per cent to 55 per cent between 2002 and 2004. As an executing agency of the Global Environment Facility IFAD was certainly well positioned to work with the Global Mechanism to link the rehabilitation of natural resources to poverty reduction in rural areas. The President of IFAD and the new management team deserved congratulations for helping to make the partnership work.
227. The Global Mechanism wanted to be lean and innovative and quick to respond to countries' needs. It was forming partnerships at all levels, increasingly with the private sector and non-governmental organizations. It was one of the few United Nations bodies to have responded directly to the Monterrey Consensus and the Paris Declaration on Aid Effectiveness. The new finance allocation modalities and

new instruments like direct budget support had far-reaching implications at the country level, but the Global Mechanism could provide effective support in financial matters to the UNCCD focal points. The progress report document (GC 30/L.8) indicated that country-level outcomes in 2006 showed that the Global Mechanism was well on track, and the strategic work done by the Global Mechanism illustrated a comprehensive approach to the implementation of the UNCCD which addressed not only physical solutions but also such matters as trade and access to markets, particularly for farmers under subsistence production, education, and adaptation to climate change. The Global Mechanism was working closely with the International Land Coalition, in particular on women's land tenure rights in French-speaking Africa. To ensure greater impact, it was concentrating on regional and subregional activities in close cooperation with IFAD and other international partners like regional development banks and the World Bank. For example, the Central Asian Countries Initiative for Land Management had led to a cooperation agreement which would generate US\$1.4 billion over the next ten years, and the SolArid programme in the Sahel promoted South-South cooperation between North and West Africa to scale up finance for sustainable land management. In the Latin American and the Caribbean region, on which there had been a special focus in 2006, four regional advisers had taken up office, and the Global Mechanism was working with many national and regional organizations, as well as with many governments, on South-South cooperation. The decentralization of its advisory services had been very well received throughout the region.

228. The Global Mechanism had collaborated closely with IFAD during the International Year of Deserts and Desertification: one of the highlights had been the series screened by the British Broadcasting Corporation. The Governing Council's acknowledgement of the role of the Global Mechanism was very encouraging and its guidance as to the way forward for cooperation with IFAD was valuable. By working together the two organizations could achieve a more balanced approach to sustainable development.
229. **Mr CHIRAPANDA** (Thailand), commending IFAD's work in connection with the UNCCD, drew attention to the consensus reached by the Intergovernmental Panel on Climate Change in February 2007 regarding the reality of global warming, which was probably a direct consequence of human activities and presented a real threat to humanity. He asked IFAD to take a proactive role in reducing global warming, by working with developing countries on projects aimed at absorbing greenhouse gases, perhaps with resources made available through carbon-trading credits.
230. **Ms WEISSER** (Norway), referring to paragraphs 76-78 of the report, said that it was not clear what the actual administrative costs of the Global Mechanism were, although they appeared to be quite high.
231. **Ms NYIKULI** (Kenya) said that in her country the Global Mechanism had been involved in mainstreaming the UNCCD and the action plan of the national development and planning framework, in collaboration with the national environment management authority. During 2004, the Global Mechanism had initiated an innovative pilot programme in Kenya and South Africa aimed at increasing the involvement of the business community in implementation of UNCCD projects. On the basis of the results of those studies, her Government had launched the first public-private sector partnership fund to combat desertification. Despite the efforts of the Global Mechanism and other agencies to mitigate the effects of drought in the Horn of Africa, however, the region continued to be affected by recurrent natural disasters. She therefore asked the Global Mechanism to strengthen its presence and activities in the area, in order to address the root causes of its vulnerability to recurrent drought and food insecurity.
232. **Mr MERSMANN** (Managing Director, Global Mechanism), responding to the remarks made by the representative of Thailand, said that the Global Mechanism

had a special programme on adaptation to climate change in the context of desertification control and sustainable land management, which was coupled with payments for environmental services, inspired by the system used in Costa Rica. A report on initiatives being undertaken in several countries would be presented at the next session of the Governing Council.

233. Replying to the representative of Norway, he said that the present accounting system, comprising three accounts, was being simplified so that the accounts could be administered more transparently in line with IFAD's results-based management system. The costs referred to in the document as "administrative costs" were in fact operational costs for advisory services. Management fees accounted for 8 per cent of the contribution made available to the Global Mechanism by the Conference of the Parties of the UNCCD, and that amount was paid to IFAD for administrative (including legal) support.
234. There was indeed good cooperation between the Global Mechanism and the Government of Kenya. Moreover, Kenya's innovative approach to involvement of the private sector would be used as a model for similar initiatives in other countries.
235. **The Governing Council took note of the progress report on the Global Mechanism of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa.**

OTHER BUSINESS (agenda item 12)

Disclosure of documents (GC 30/INF.2)

236. **The CHAIRPERSON** recalled that IFAD's disclosure policy provided that the disclosure of documents for any particular session was the prerogative of the governing body concerned. In accordance with the recommendation of the Consultation on the Seventh Replenishment of IFAD's Resources, adopted by the Governing Council in February 2006, the Executive Board had reviewed IFAD's disclosure policy at its most recent session and had approved revisions that permitted public disclosure on the Internet of all documents submitted to the Governing Council and the Executive Board at the time they were made available to those bodies. Therefore, approval by the Council to disclose publicly all that documents submitted to the session was no longer required.
237. **The Governing Council took note of the IFAD policy on the disclosure of documents.**

CLOSURE OF THE SESSION

238. **The CHAIRPERSON** made a closing statement, the full text of which is reproduced in chapter 4.
239. He declared the thirtieth session of the Governing Council closed.
240. **The meeting rose at 5.25 p.m.**

Chapter 3

B. Round-table discussions

241. The world's poorest countries often struggle with high rates of unemployment and underemployment in rural areas. Higher incomes and better standards of living in some urban areas have encouraged a large number of poor rural people to migrate to nearby cities or other countries to find work. Those who remain in rural areas are facing new challenges created by rapid globalization, growing competition and the social and demographic changes resulting from migration.
242. Recognizing the importance of rural development in achieving the Millennium Development Goal of halving the proportion of extremely poor and hungry people by 2015, IFAD chose rural employment and livelihoods as the overarching theme of its 2007 Governing Council.
243. Three round-table discussions took place on 14 February 2007 to discuss issues related to rural employment and livelihoods.


Round table 1: Migration and rural employment

244. The question underlying the first round table was how rural areas could benefit more from migration and remittances. To guide the discussion, this question was broken into four separate questions:
 - (a) Should the strategies and instruments for addressing the lack of productive activities in rural areas be differentiated from those for reducing rural outmigration?
 - (b) What policies and interventions can enhance the potential positive effects of migration, and support migrants and their organizations in rural development and job creation activities?
 - (c) How can the situation of women be effectively addressed given their growing participation in migration and in the labour force?
 - (d) What can IFAD's specific focus and role be in addressing issues in rural areas related to migration?
245. A paper exploring these issues was prepared for the round table. Together with the distinguished panel (see page 47), participants also included the following migrant representatives: Mr Thomas McCarthy (Ghana), President of GhanaCoop, an association of Ghana nationals in the province of Modena; Ms Belinda Comfort Damoah (Ghana), Queen Mother of Suma and member of the Suma Agricultural Cooperative Society, which is currently engaged in a rural development programme in her village; Ms Odile Ngo-Mbilla (Cameroon), Co-development Project Manager, African Women for the sub-Saharan Association; Ms Cecilia Monteiro (Cape Verde), Secretary of Tabanka, a West African NGO and Ms Chiarito Basa (Philippines), President of the Filipino Women's Council, a migrant organization in Rome that aims to reduce the difficulties faced by Philippine and other women working as domestic helpers.

Round Table 1
Migration and rural employment
How can rural areas benefit from migration and remittances?
14 February, 15:00 hours



Enabling the rural poor to overcome poverty



Mr Aziz Khan, Moderator
Professor Emeritus of Development Economics, University of California, and Adjunct Professor of International and Public Affairs, School of International and Public Affairs, Columbia University



Ms Cecilia Tacoli,
Senior Researcher, Human Settlements, International Institute for Environment and Development



Mr Frédéric Sandron,
Chargé de recherche, Institut de Recherche pour le Développement



Mr Benjamin Davies,
Economist, Agricultural and Development Economics Division, Food and Agriculture Organization of the United Nations

The proceedings

246. The background paper "Migration and Rural Employment" notes that in developing countries, employment in agriculture, traditionally the major employment provider, is declining. A process of "de-agrarianization" is taking place with workers being pushed out of agriculture into non-agricultural occupations.
247. The past 50 years have seen a significant increase in rural outmigration. This trend is expected to continue into the future with the exodus of the youngest and most productive segment of the rural labour force. Moreover, an increasing number of women are migrating in search of remunerable work as the demand for women's labour in services is increasing.
248. The labour outflow is matched by the steady growth of remittances – from US\$30 billion a year in the early 1990s to an estimated US\$232 billion in 2005.
249. The significant outflow of workers and inflow of remittances, as well as the continuous exchange of goods, ideas and cultural values, have changed the rural landscape. The new rural space is characterized by the growth of small towns and medium-size cities with strong economic ties to the remaining "rural" inhabitants. At the same time, the success of migrants in accumulating capital and skills is a necessary but not sufficient condition for them to invest productively in their place of origin.
250. The key issues that emerged from the panel presentations and the floor discussion were the following:

Links between economic development, the decline in agriculture's share in GDP, and employment and migration

251. From a micro perspective, an analysis of the social context, the economic transformation of rural livelihoods and income diversification can yield clues to the motivation behind migration.
252. However, from a macro perspective, agriculture's share of employment at the early stages of development far exceeds its share of GDP. This is a fundamental cause of the large differences in productivity per worker and income per capita between the agricultural (rural) population and the population in urban areas. A decline in agriculture's share of employment at a faster rate than the inevitable decline in agriculture's share of GDP is a necessary condition for the reduction of the rural/urban gap in living standards.

Unhealthy and healthy migration, internal versus international migration

253. In the above context, migration out of agriculture is a necessary condition of healthy, poverty-alleviating development. However, all migration is not necessarily desirable. Discriminatory policies adopted by many developing countries cause artificial reductions in earnings for those employed in agriculture. This induces a higher rate of migration than would be socially desirable. However, restrictions on migration in such a situation may worsen conditions in rural areas.
254. The best kind of migration is driven by demand for labour from non-agricultural activities: a rapid employment-intensive growth of industries and services in urban centres, provided that agricultural profitability is kept as high as is warranted by its social comparative advantage.
255. Such healthy migration will lead to changes in the organization of agriculture. The reversal of the diminishing returns from agriculture will enable investment in better technology, thereby strengthening productivity. This will mean a change in traditional ways of life in agriculture, an issue, however, that should not be of concern for the bulk of the developing countries.

256. **Internal versus international migration.** The global volume of internal migration is about seven times the volume of international migration (34 million against 5 million). Therefore, migration has a much greater effect on the absorption capacities of developing countries, particularly in their urban centres. The breadth of the rural exodus warrants an interrogation of its impact on the places of departure. Unfortunately, however, much more research has been conducted on the impact on the places of arrival in developed countries.
257. **Remittances: the importance of managing this resource.** Apart from reversing diminishing returns, migration can make further contributions to agriculture, most importantly through migrant remittances. These resource flows occur mostly through the private sector. There is, however, a case for managing their use. Empirical evidence from a number of countries suggests that remittances are disequalizing: a large part of remittance income accrues to relatively well-off households since they are better able to finance migration and their members are likely to earn more as migrants. This by itself would not be an overriding problem if a way could be found to direct a large share of remittances to investment in employment-intensive activities. Once again, the best guarantee of that is setting high incentives for investment in agriculture and the rural non-farm economy.
258. **Remittances and local development.** Remittances tend to be used for consumption more than for investment, although in the case of international migration, remittances can improve the conditions of the villages of origin (e.g. building of schools, health centres, roads). However, remittances rarely result in genuinely productive investments that encourage rural development. Moreover, a local economy that relies entirely on migration remittances runs a great risk if migrants' conditions deteriorate in their destination country. An important issue is to find ways and means to direct remittances in a positive way towards local development.
259. Policies have critical roles to play in channelling the efforts of migrants and creating an impact on the local economy, however, proper institutional support needs to be in place. One example is the "3x1" Citizen's Initiative in Mexico, in which each peso provided by a migrant to his or her village is matched by a dollar from the State.
260. **Migration, food security and nutrition.** Migration can have positive and negative effects on food security and nutrition. Remittances can ease consumption problems in the face of shocks, providing a safety net. However, if remittances are not invested properly, the effects on food security can be negative.
261. **The role of small towns in agricultural development.** In many parts of the developing world, urbanization is increasing. Small urban centres are the fastest-growing areas, not only in demographic terms, but more importantly, in economic ones. Today, such urban centres serve to connect agricultural produce to domestic markets, and then to larger markets, and finally to export markets. Local studies have shown that domestic markets are the drivers of rural production. In the Mekong Delta, for example, 90 per cent of high-value fruit destined for export markets actually goes to domestic markets. Therefore, urban development stimulates rural development and smallholder production. Smallholders often react quickly to demand, whereas larger farms may take more time to respond.
262. **Women and migration.** The consequences of migration can be worse for women than for men owing to the increased feminization of the agricultural labour force. Industries in which migrant women constitute the bulk of workers are typically characterized by weaker health and safety regulations, worse working conditions and lower wages compared with those dominated by a male labour force. Women workers also have much less control than men workers over the use made of their remittances. The protection of women should take multiple forms: the prevention of the inappropriate feminization of agriculture by preserving the sector's

profitability; careful balancing of the protection of women migrant workers in the urban labour market without “pricing them out”; and the long-term reform of institutions and policies to secure a better gender balance in property rights.

263. **Migration and its effects on household labour.** Migration is often a household rather than an individual decision, and it has a strong impact on how a household allocates labour in the absence of one or more of its members. In a study conducted at the household level in ten countries, as agricultural labour decreased, the use of labour-saving inputs increased, and there was a shift from crop to livestock production. This reflected the difficulty of replacing family labour, often causing households to diversify their activities, switching to less labour-intensive activities, which are often non-farm activities.

Open discussion

264. The following are the main issues that emerged during the open discussion.
265. **Savings and investment of remittances.** In research conducted in Moldova – the most remittance-intensive country in the world – it was discovered that migrants who send remittances also save money. Migrants invest their savings in real estate, or set them aside in accounts in the Russian Federation, with the intention of investing in their home country at a later stage. An important question, therefore, is how to funnel this money into the economic development and productive assets of the home country. One solution would be to develop a mechanism that links rural communities to migrant communities so that economic development is driven by the migrants themselves.
266. **Competition from external markets.** The first driver of economic growth in small towns is the domestic market, but there is stiff competition from inexpensive staple foods imported from countries where extensive farming is much more cost-effective. In addition, the highly competitive import market is causing damage to health. In some rural areas of Africa, the incidence of diabetic and overweight children is growing. An important question is whether some protectionism is needed, even temporarily, to combat the subsidized production of food in other parts of the world.
267. **Conditions of migrants in their countries of destination.** While remittances are helping developing countries, it is also important to understand how much suffering migrants undergo in order to earn these remittances. Studies need to be conducted on the condition of migrants throughout the entire migration process, from initial travel abroad, to the search for work and the living conditions experienced at destination. A comparative study would also be useful, between recipient countries today and in the past, when remittances took different forms such as gold and other precious metals.
268. **Migration and loss of culture.** It is important that good conditions are maintained in rural communities so that they can grow and preserve their culture, habits and history. One highly effective method involves NGO-run training to transfer technology to young people on farms. This has boosted production levels and consequently encouraged young people to remain in their communities.

"Many of us who are working abroad as representatives of migrants are engaged in two activities. We are doing our own normal job and we are also still engaged in the activities of our country of origin. Anyone wanting to work on developing his community needs to devote himself 100 per cent to that." – Mr Thomas McCarthy, President of Ghanacoop

269. **Women, children and migration.** It is important to focus on food shortages and civil wars, which are much more critical than the US\$1 billion entering the economy from remittances. In some countries, as many as 10 million people face severe water and food shortages and risk starving to death. Moreover, the implications for

women and children migrants need much more attention. What is the positive side for them? They are not educated and cannot expect to find well-paying jobs. Moreover, many run significant risk by venturing out of their communities – especially abroad – to look for work. Therefore, at least in this international setting, the focus should not be on remittance money, but on a better life for people in their home communities.

270. **Seasonal migration and young people.** Seasonal migration is very important, not only rural-to-urban, but also rural-to-rural, which is quite common. One significant social dimension that must be considered is the disruption in children's education during this type of migration.

Key questions on "balanced development"

- How can small urban migrant destinations be helped to improve their reception and absorption capacities?
- How can the "disconnect" between rural areas and small urban centres be addressed (e.g. by improving infrastructure, ensuring that rural producers join the value chain)?
- What strategies can be developed for those who remain behind?
- What can be done to encourage people not to migrate (e.g. training in administration and marketing, in particular for women)?

271. **Migration and policy implications.** There are people who migrate away from starvation, and people who migrate towards incentives. Policies should minimize the push factors and favour the pull factors. It is crucial is to ensure that agriculture policies actually respond to the needs of the people working in agriculture.

"Migrant workers' money is their money. Whatever decisions we want to make, we can be a part of it, but it is their money." – Ms Chiarito Basa, President of the Filipino Women's Council

272. **Encouraging migrants to return to their country of origin.** Migrants need to improve their technical expertise and other professional skills in order to return to their country of origin and make a significant contribution to the development of their country. To achieve this, and to encourage them to return, bilateral agreements need to be established with European countries. Some such agreements already exist, but need to be expanded beyond the region. IFAD could play an advocacy role in this regard.
273. **IFAD's role.** Billions of dollars are sent as remittances from the United States to poor countries in South America. IFAD can help migrants channel their money into projects benefiting their home communities (for instance, improvements in village infrastructure, schools), and it has done so in a highly successful initiative in El Salvador. Once migrants and their families have gone beyond the survival stage, remittances can make such projects possible and allow migrants to help not just their families but the wider community. This type of assistance needs to be reinforced, and other viable areas for using remittances as seed money need to be identified.


"Remittances are not just money. They are skills, and the transfer of skills, which are fundamental for rural development." – Lorena Martinez, Permanent Representative of Spain

Round Table 2



Rural employment promotion through the value chain approach

How can value chains help smallholder farmers increase their income and create rural employment?

14 February, 15:00 hours



Enabling the rural poor to overcome poverty



Mr Jim Tanburn, Moderator
Coordinator, Donor Committee for
Enterprise Development



Mr Hans Posthumus,
Enterprise development consultant



Mr Goran Damovski,
Supply Chains Integration Officer,
Agricultural Financial Services Project,
the former Yugoslav Republic of
Macedonia



Ms Oliva Lizarazo,
Director, Rural Microenterprise
Development Programme, Colombia



Mr Christian W. Borgemeister,
Director General,
International Centre of Insect Physiology
and Ecology

Round table 2: Rural employment promotion through the value chain approach

274. The objective of the round table was to provide an opportunity for participants to exchange views on what governments, development agencies such as IFAD, and other partners could do to create rural employment and increase small farmers' income through the value chain approach.
275. Value chain development is gaining ground among donors and development practitioners worldwide. However, the issue examined by the round table was not whether or not applying the value chain approach leads to pro-poor developments, but rather, whether value chain development creates rural employment and reduces poverty, how donors and governments could influence this process, and what roles could be envisaged for public, private and civil society actors.
276. A number of key questions were raised in this context:
- (a) Should donors and government direct their attention to global or local value chains?
 - (b) How can donors and governments ensure that actors involved in the chain benefit? Should they strive to create high-quality employment for a few people or unskilled jobs for many?
 - (c) How, and under which conditions, should donors and governments support private-sector actors such as estates and processors in improving their performance in the value chain, thereby creating decent employment for the rural poor?
 - (d) What role should donors and governments play in analysing and selecting subsectors? Should they support replicable micro-level interventions or interventions within the broader environment that provide a maximum leverage effect?

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Understanding the value chain approach

277. The round table began with a summary of the highlights of a background paper entitled "Rural employment promotion through the value chain approach - Does adding value create employment?" This was followed by a short introduction to the issues, which focused on the meaning of the value chain approach, the status of the debate on value chains and good examples of the value chain approach in the context of IFAD projects.
278. There is little agreement on what a value chain approach is, although at least 15 manuals have been published on the subject. These range from analyses of raw material inputs to the identification of final consumers of a given product or service. It was stated that the value chain approach was about: (a) understanding added value along the chain and examining where the added value is captured (i.e. who actually benefits from the different levels of value added); (b) making markets work for the poor; (c) being driven by market demand (one cannot push the chain); (d) including the whole chain and not concentrating just on individual enterprise development or the promotion of microenterprises. Value chain approaches can be seen in many countries where IFAD is active and in many proposals and plans (e.g. the growth of "Asian tigers" around selected industries or sectors considered important for national growth); and (e) an interface with the private sector. This can create complications for donor agencies because their principal contact is with governments and they may lack understanding of private-sector dynamics.
279. To start the discussion, a few initial questions were raised on the themes of the round table:

- (a) Is the value chain sustainable and gender-sensitive? A cultural divide is evident between development organizations as a whole and the private sector.
 - (b) Who benefits? Traders working in remote rural areas have the most developed extension network. They can reach the rural poor in ways that are highly challenging for development agencies. These traders have found the most cost-effective way to reach the rural poor is through links to urban businesses.
 - (c) The value chain is not static, but continually changing. One example is the fast growth of supermarkets. Since market situations change all the time, the question is how to adapt to the changes.
280. The panellists noted that large supermarket chains were now determining what needs to be produced and under what conditions. Moreover, there was growing concentration at various points along the chain – for instance, among input suppliers and food processors – while higher mandatory and voluntary standards were dictating production standards and raising entry barriers. The lead firms outside developing countries created powerful brand images that shifted power and value away from developing countries, creating an imbalance between developing and developed countries as a whole. Market consolidation and increasing scale requirements were creating greater entry barriers for smaller firms, reducing market options and increasing costs in the effort to meet product and process requirements. Labour in abundance worldwide and the pressure on supply firms in developing countries were heightening competition. It was emphasized that trends in international markets were being replicated in developing countries at the local supply chain level. Smallholders, however, lacked the experience, knowledge and means to fulfil the production requirements of more demanding consumers and were therefore excluded from the process. These smallholders must be able to meet the uncompromising demands of the market. The question was who among these smallholders were best equipped to respond to the demands of the value chain. Most agro-industries dealt with wealthier farmers since interventions linking smallholders to high value chains often targeted more advanced smallholders.
281. An example presented during the round table from the former Yugoslav Republic of Macedonia points to some ways in which smallholder farmers' income can be increased, rural employment can be created and rural poverty can be reduced. The Facility for Farmers' Access to Markets (FFAM) links primary producers to consumer markets by addressing constraints throughout specific agricultural supply chains. The FFAM relies on a two-tier integration model based on value chain integrators, involving strategic investment planning. Nine value chains have been supported by focusing on strengthening the chain and providing technical assistance, training, and proactive brokerage. The additional employment created using this model is likely to be sustainable only if the value chains supported remain profitable and there is a continuing expectation for growth. The key issues are therefore to: (i) provide steady support to all value chain actors; (ii) ensure market access to processors; (iii) improve value chain actors' collaboration and coordination; (iv) promote financial institutional involvement; and (v) encourage proactive demand-driven brokerage activities.
282. The experience from the Rural Microenterprise Development Project in Colombia was also presented to round table participants. The project's objective was to contribute to reducing rural poverty by increasing employment and involving the poorest families in the development of microenterprises. The project showed that strong competition and access to new markets leads to increased employment. Rural microenterprises can gain competitiveness by being innovative, producing high quality goods, creating a strong demand, using standard processes, setting competitive prices, taking advantage of economies of scale and broadening their

knowledge of market demand. Microenterprises that are integrated into value chains ensure a higher employment rate, especially in the agro-industry. The project increased access to markets and had a positive impact on neighbouring households (creating a multiplier effect). An analysis of results suggested that rural employment could be increased by: (i) identifying promising territorial value chains; (ii) considering non-traditional industries; (iii) trusting local-level public and private institutions; and (iv) respecting the culture and way of life of smallholder farmers.

283. The approach adopted by the International Centre of Insect Physiology and Ecology (ICIPE) to value chain development in sub-Saharan Africa was also presented to the round table. Two aspects of the approach were fundamental: (i) the provision of public goods that contributed to value chain development (e.g. biological control of a cabbage pest that improved production and enhanced marketing potential); and (ii) the development of integrated pest management and biological control strategies by reducing agro-pesticide inputs, improving food security, nutrition, food safety and farmers' income, and enhancing environmental sustainability. ICIPE also supported value chain development by (i) providing training (e.g. strengthening smallholder farmers' abilities to meet export production standards); (ii) facilitating the creation of a regional certification body; (iii) carrying out an economic impact assessment of biological control and production standards; and (iv) encouraging value chain development for niche markets (e.g. the highly successful honey bee value chain). The ICIPE value chain approach alleviated poverty and created employment while ensuring biodiversity and ecosystem conservation.

Open discussion

284. A number of issues and questions were raised during the open discussion, many of them highly specific to IFAD's context and project funding strategies.
- (a) What type of projects or kinds of funding are appropriate for creating value chains that would benefit small producers? Given the nature of issues involved in marketing, it was agreed that co-funding with private banks and financial institutions was desirable.
 - (b) To what extent can small-scale producers access international markets? It was pointed out that in many cases, particularly in IFAD-funded projects, access to international markets was probably not an objective. Moreover, creating a participatory approach and value chains would need more time to mature than the average project could provide.
 - (c) How can the selection of beneficiaries be improved, particularly given the need to promote a competitive framework? It was highlighted that identification of project areas and target groups had to proceed in tandem with the organization, area by area, of a public contest to demonstrate how to gain the most from competition. The very poor needed to be supported through transport, marketing and trade services, and in their negotiations with exporters. This would require organizing them in groups, transferring skills over time and building capacities.
 - (d) How can small-scale farmers be competitive and also adhere to international phyto-sanitary standards? These two issues also needed to be reconciled with the issue of technology development and the organizational capacity of rural poor peoples to manage that process.
 - (e) What would one like to achieve and who are to be targeted in value chain development? Participants emphasized the importance in this context of analysing the local economy, and identifying and focusing on areas with good potential. It was obvious that donors could not develop value chains: the private sector developed value chains, and donors or governments could

determine whether the distribution of income was fair. Smallholders could benefit from value chain development and contract farming which did not involve a great deal of risk, nor require them to invest their own income or pay for extra labour.

- (f) What financial instruments are available for value chain development? It was pointed out that many development agencies refused to second-guess value chain development and therefore left development to the private sector. The private sector could, however, be encouraged to take the risk of moving into new areas by offering matching grants, or challenge funds or cofinancing.
- (g) How can coordination and communication be improved and linkages strengthened between farmers and processors? Important measures included organizing farmers, increasing their capacities, building trust and reliability, and strengthening commitment to production goals. There was a need to formalize the organization of farmers, creating associations and cooperatives that would increase their power and facilitate knowledge-sharing. Through such empowerment, the processors would learn to depend on the farmers. Sustainability was determined not so much by results but by the increased capacity of all value chain participants to be flexible and demonstrate greater staying power in the market.
- (h) What policies can be adopted to ensure that certain players do not have the upper hand along the value chain? In other words, how can equitable trade standards safeguard smallholders in the value chains developing internationally? Outside players often entered the niche and took it over. Ways need to be found to help the pioneers safeguard their advantage. The vagaries of prices are a central question when dealing with value chains. There were many negotiations involved in international trade. The impact on prices needed to be offset and measures taken to protect the value chains from price fluctuations.

Round Table 3
Generating remunerative livelihood opportunities for rural youth
How can the rural sector generate better remunerative work for young people?
14 February, 15:00 hours



Enabling the rural poor to overcome poverty



Ms Marcela Villarreal, Moderator
Director, Gender, Equity and Rural
Employment Division, FAO



Mr Paul Bennell,
Senior Partner,
Knowledge and Skills for Development



Ms Asha Juma,
Minister for Labour, Youth Development,
Women and Children (Zanzibar)



Mr Samir Radwan,
Former Managing Director, Economic
Research Forum

Round table 3: Generating remunerative livelihood opportunities for rural youth

285. The round table focused on the key question of how IFAD could best support rural young people in their search for remunerative work.
286. Unemployment and underemployment are particularly high among the world's young people. Most unemployed people between the ages of 15 and 24 live in developing countries. In poor rural areas, an even greater issue is severe underemployment, with young people participating in household-based activities with low productivity.
287. Given the opportunity, rural youth can be productive members of society. But a society with large numbers of unemployed young people can be a breeding ground for social unrest. In some poor countries, young people represent as much as half of the population – a figure that is poised to rise in countries with high birth rates. The challenge is to find new ways to engage rural youth and enhance their capabilities, particularly through education and support services.

Objective

288. The objective of the round table was to provide an opportunity for participants to exchange views on what governments, development agencies such as IFAD and other partners could do to improve the livelihoods of rural youth in developing countries.

Key questions

289. The key questions discussed were:
- (a) Are rural youth a key target group for IFAD and its partners, and should they be "mainstreamed" in the same way as gender is?
 - (b) What comparative advantage does IFAD have in working with youth? With what other organizations might it need to form partnerships in order to do this effectively?
 - (c) Should governments do more to support specific pro-poor youth policies? What would these policies entail?
 - (d) Are there specific groups of rural youth that should be prioritized for support? What type of support?

Proceedings

290. The key issues that emerged from the discussion are the following:
- (a) Youth are a very heterogeneous and amorphous group. The category includes schoolchildren (from the age of 12) right through to 24-year-old labourers and women with children. This makes defining specific youth-oriented policies and interventions difficult unless subcategories of youth are defined and their differentiated needs identified.
 - (b) The period of youth is a transition period that happens very quickly in developing countries, especially in rural areas, as young people start working at a very early age. This may explain why governments do not target them more specifically. Furthermore, since they lack economic autonomy and remain under family authority, it is difficult to target them directly.
 - (c) Youth have much higher under- and unemployment rates than the rest of the population. The situation is worse for girls and young women. The key challenge for governments, development agencies and actors is to identify innovative ways to promote the positive contribution of young people to development.

- (d) Rural youth unemployment is mainly a consequence of poverty and the low purchasing power of consumers in developing countries, which reduces the demand for agricultural products and hence the demand for labour in rural areas.
- (e) Due to the magnitude of poverty in countries such as Nigeria and the United Republic of Tanzania, there is a fundamental lack of jobs available for rural and urban youth. Youth unemployment typically runs substantially higher than general unemployment levels. This generates a range of social and economic problems, including increasing substance abuse, criminality and prostitution.
- (f) Agriculture and rural areas need to become more attractive for young people to encourage them to live, work and invest in them. Agriculture must not be seen as a humiliating activity, but must become more productive and profitable. Niche markets and new economic opportunities that could provide remunerative livelihood opportunities for entrepreneurial youth need to be fostered, e.g. organic and fair trade agriculture.
- (g) Rural youth tend not to be organized as a powerful constituency in developing countries and therefore their voices are often not heard in decision-making. For young farmers, fostering strong organizations and building on the successes of the junior farmer field and life schools will help.
- (h) Examples from Asian experience (China, India, Malaysia) could be instructive for rural poverty reduction and youth employment, e.g. public works programmes, the promotion of non-farm economic opportunities, and small enterprise and rural industry development.
- (i) A better understanding is needed of the dynamic process of agricultural transformation in a world undergoing deepening globalization, urbanization and environmental change to identify opportunities and challenges for rural youth employment.

Policies

- (j) Increased government and development-partner investment in agriculture will be critical. It will also be important to improve the ability of African governments to meet the commitments they made in the 2003 Maputo Declaration to allocate 10 per cent of national budgets to agriculture and rural development.
- (k) While development interventions in the education, health and agricultural service sectors do tend to address youth, and policymakers often talk about the importance of rural youth, it is rare for governments to target youth specifically. They usually devote limited resources to youth-oriented activities and subsume youth into the responsibilities of other ministries.
- (l) Youth policies are often ineffective because there is an erroneous reading of the labour market and a large urban bias in terms of complementary public and private investments.
- (m) Sound national policies to ensure sustained economic growth are needed along with growth patterns that favour youth employment.
- (n) It is essential to increase the productivity and profitability of agriculture to make it more attractive for rural youth. In that context, the negative impacts of international and national subsidies need to be addressed. Subsidies can distort agricultural markets, reduce prices for agricultural goods and agricultural wage rates, thereby increasing unemployment rates in developing countries. A successful Doha Round of trade negotiations could address this.
- (o) Ministries of youth and ministries of agriculture have roles to play in developing and implementing policies to generate remunerative livelihood

opportunities for rural youth. They need to work together to establish coherent policies and interventions. Ministries of youth are often underresourced, a problem that needs to be resolved if they are to play a stronger role.

- (p) Policies to promote employment need to address conditions of employment, as the young are vulnerable to exploitation.
- (q) In order for national economic and rural youth policies to be effective, they need to be developed in a consultative way so that the views of the representatives, organizations and NGOs that work with young people are taken into account from the early stages of policy formulation.
- (r) Policies and interventions need to take into account specific issues related to the diversity of those included in the "youth" category. These include the different contexts in which young people are situated, gender and age differences, and social and cultural aspects that define access to land, natural resources and other assets. A deeper understanding is needed of institutional factors, power relationships within society (particularly between generations), the intergenerational transmission of poverty and the impacts of the "ageing" of rural areas. A finer analysis of different socio-economic categories of youth (e.g. landless, plantation farm workers, small farmers) and specificities related to agro-ecological zones is also required.
- (s) Priority interventions include enhancing young people's access to education and vocational training (including life-long learning), addressing transport and housing bottlenecks, and increasing job opportunities and access to credit.

Proposed follow-up and networking

291. Areas for the potential support of IFAD and development partners include:

- (a) **Fostering access to better education and vocational training opportunities for young people.** Specifically, measures are needed to ensure that all rural young people (boys and girls) complete the full cycle of primary education and attain a basic level of numerical and functional literacy. Increased investment is needed in agricultural training colleges so that they are accessible to the rural youth and deliver quality education. There should also be provision for life-long learning. This will provide better, longer-term career opportunities.
- (b) **Providing the right incentives to encourage rural families to send and keep their children in school, in a context where their labour on the family farm may be needed.** For example, school feeding programmes have been successful in increasing the rates of primary school enrolment in many countries (e.g. Egypt).
- (c) **Improving strategies targeting rural youth.** These must take account of the diversity of the rural youth population and be based on a better understanding of their livelihoods. However, where all people in an area are poor, young people should not be the only group targeted. The IFAD Policy on Targeting provides a good guide for governments and agencies.
- (d) **Creating employment opportunities for rural and urban youth and facilitating migration.** Young people are a primary group involved in rural-urban and international migration. This migration is often temporary and circular rather than permanent. Employment opportunities therefore need to be promoted for both urban and rural youth.
- (e) **Increasing the productivity and profitability of agriculture in order to attract and keep young people in rural areas.** This could be accomplished through programmes that facilitate better access to technology and support

services, and through policy dialogue to promote more equitable trade policies.

- (f) **Creating non-farm income-earning opportunities.** Agencies such as IFAD, as well as governments, could do much more to promote the development of rural industries and services. This would give young people an incentive to stay in rural areas and harness their energy for rural development. As a complement to this, information centres for youth could be established in rural areas, showing where market demand for agricultural products exists and identifying the skills/training required to meet these demands.
- (g) **Strengthening the capacities and voice of rural youth organizations.** IFAD has a comparative advantage here.
- (h) **Identifying success stories in the promotion of rural youth employment.** Such case studies will improve the empirical evidence base for what really works in promoting rural youth livelihoods and can be shared through an effective knowledge management strategy.
- (i) **Organizing a World Conference on Rural Youth and Development to raise awareness of the need to address specific development issues related to rural youth.** Rural youth groups should play a major role in organizing such a conference, which IFAD was asked to coordinate.

Chapter 3

c. Other general statements

Statement of the Governor for Ireland

Ireland has published its first ever White Paper (policy) on overseas development assistance. In this policy paper, Ireland has reiterated its overarching objective to reduce poverty, in order to reduce vulnerability and increase opportunities.

Ireland's White Paper highlights its commitment to reach the United Nations target of spending 0.7 per cent of gross national product on official development assistance by 2012. To that effect Ireland has already reached 0.5 per cent of gross national product for its official development assistance programme in 2007.

Ireland's White Paper clearly states that hunger, food security and rural development are priorities in its programme. These priorities will be addressed by supporting "measures to improve the production and efficiency of African agriculture through additional funding for rural infrastructure, water management, and sustainable land management initiatives" and by "providing increased assistance to rural development and agricultural research and extension services through effective partnerships".

Ireland shares the same goals as IFAD, and to this effect Ireland has reinforced its commitment to these ideals by increasing its funding to the seventh replenishment fourfold.

Ireland encourages and supports IFAD's reform process and the implementation of its new Action Plan. It is anticipated that IFAD programmes will demonstrate greater alignment with partner country national policies and objectives. Ireland looks forward to continued collaboration and partnership with IFAD and its work with the poorest rural communities in developing countries.

Statement of the Acting Governor for Lesotho

On behalf of the delegation of the Government of Lesotho and on my own behalf, I commend the IFAD Secretariat for prompting its Governors to ponder on one of the key areas for reducing hunger and poverty. The theme of this thirtieth session of IFAD's Governing Council – Rural Employment and Livelihoods – reminds us that the rural sector is important to the overall economic growth of all developing countries. The challenge is for the agriculture and rural development sector to facilitate rural growth. In Lesotho, growth of the rural sector is an anchor to the success of the recently launched local government system. One of the main aspects of this system is to decentralize government services and devolve both the administrative and the financial powers from central Government to local administration. It recognizes the need to create jobs at the local level by investing in activities with the potential to improve rural livelihoods. **One example is the introduction of the value chain investment approach.** In such programmes, youth in rural communities stand a better chance of obtaining remunerative jobs and/or participating as investors.

We express our heartfelt appreciation for the continued support from IFAD to enhance agricultural development in Lesotho, in order to reduce poverty and food insecurity particularly in our rural poverty-stricken regions, most of which are arid. IFAD's contribution has enabled us to reach the most isolated and poorest communities. While we have encountered challenges that have threatened the success of these initiatives, these were of minor consequence when compared with the positive impact on the livelihoods of isolated and resource-poor communities.

Currently, the Government – through the Ministry of Agriculture and Food Security – is implementing a block farming programme. In this connection, the intensive crop production component of the IFAD-funded Sustainable Agriculture and Natural Resources Management Programme has put 594 hectares of land under block farming. This programme will add value to both the food security aspect of our mandate, and the reduction of hunger and malnutrition, thus contributing to the poverty reduction struggle.

In addition to the block farming strategy, and to counteract the effects of low rainfall, irrigation – especially low-cost gravity irrigation – is still a priority. Other irrigation systems are also recommended where feasible and affordable. The intention here is to make optimum use of the water resources with which Lesotho is endowed. Donor funding is sought to achieve this objective, as the costs of developing the relevant irrigation infrastructure are very high for our farmers. Unfortunately for a resource-poor country like Lesotho, where private sector investment is still being developed, the Government has to intervene by providing the infrastructure needed to encourage private sector-led investment in the sector, while simultaneously promoting the best farming technology.

As part of the South-South Cooperation initiative, we are developing an irrigation master plan under the tripartite programme between Lesotho, FAO and India. We believe that irrigated agriculture has the potential to create employment, improve food security and farmers' incomes and thus reduce rural-to-urban migration and enhance rural livelihoods.

We have also drawn up what we call the "National Food Security Action Plan". I wish to take this opportunity to invite IFAD and other participating development partners to help us implement this plan. In the formulation of this action plan, my Ministry collaborated with NGOs, other Government ministries and agencies, and some locally based donor representatives, such as DfID, and United Nations agencies, namely FAO and WFP.

In November 2006, the Government of Lesotho hosted the Ninth Donor Round-table Conference, which had as a theme "Sustainable Economic Growth and Poverty Reduction". You will note, Distinguished Governors, that Lesotho recognizes that poverty reduction is key to the country's economic growth and that the support of Lesotho's

development partners is needed to realize its achievement. On behalf of the Lesotho delegation, I thank IFAD for its participation and support to the agricultural sector during this important event. I urge IFAD to persevere in its quest to support my Government and its poor citizens until we both realize poverty alleviation through our concerted efforts.

On the rural credit facility, I wish to thank IFAD for its positive response to the need echoed by the Right Honourable Prime Minister of Lesotho on the occasion of his meeting with the President of IFAD in April 2005. We now have a concept paper on the Rural Financial Intermediation Programme that we developed with the assistance of IFAD. A full-fledged programme for possible funding by IFAD is under consideration. Once in operation, this programme will fulfil the country's poverty reduction strategy objective of "providing necessary rural financial services to smallholder farmers and landless".

In addition, this initiative will help reduce the financial vulnerability of the rural poor whose situation has been exacerbated by the continuing retrenchment of our migrant labour from the South African mining industry. It goes without saying that this has led to diminishing remittances and rural household incomes, and has thus placed an upward pressure on the economically unfavourable rural-urban migration. It is our belief that the proposed credit facility initiative will help reduce this negative impact.

We believe that implementation of this new programme will ease the entry of rural communities into formal markets. Assisted by the World Bank through a Japanese grant and the International Trade Centre, the Government ministries responsible for agriculture and trade are collaborating with farmers and private companies in the Republic of South Africa in the implementation of two pilot projects on the value chain approach. By providing easy access to credit for rural farmers, we hope to extend programmes of this nature beyond a pilot phase. It is our belief that the success of these initiatives will reduce rural-urban migration, and attract more investments to finance rural infrastructure and other important services key to market-oriented farming. With well-implemented activities and the necessary resources, the agriculture and rural development sector could play a catalytic role in strengthening rural employment opportunities, improving livelihoods, and most importantly, creating a sustainable source of economic security.

While endorsing the decision of the twenty-ninth session of the Governing Council to implement the uniform performance-based allocation system (PBAS) across IFAD's lending programme starting in 2007, we urge IFAD Management to take cognizance of individual countries' structural peculiarities when establishing performance indicators. We advocate that specific sectors have their own set of performance indicators, because despite the interdependence, each sector has its own planning process and respective mandate.

In conclusion, Mr Chairman, I commend IFAD and urge it to continue the good work in helping poor nations reduce hunger and poverty. At this juncture, Distinguished Governors and delegates, let me inform you that my country is holding its general elections on 17 February 2007 and I hope to be home in time to cast my vote. We hope for peaceful and fruitful elections.

Statement of the Alternate Governor for Madagascar

The Honourable Ratolojanahary Marius De Sales Hygin, Minister for Agriculture and Fisheries, has asked me to convey his best wishes for the success of this session. Although he would have liked to lead the Malagasy delegation to this Governing Council session, he was unable to leave the country owing to a number of urgent matters, and sends his regrets.

It is clear in the light of the items on the agenda of this session – in particular the main theme of rural employment and livelihoods – that IFAD is working with Member States on the design, selection and monitoring of operations and providing them with ways to define their own agricultural development policies to combat poverty.

As an economist, I know that agriculture plays a major role in a country's economic development. The economic history of industrialized countries shows that the agricultural revolution preceded, favoured and sustained the industrial revolution of the eighteenth century. Recent history demonstrates clearly that managing agriculture poorly, or abandoning agricultural activities in favour of forced industrialization, can have deleterious effects on a country's economic growth and the living standards of its people.

Agricultural expansion is an important factor in any economic development policy because it enables people to be fed, the primary goal of economic activity. In addition, it raises incomes for those employed in agriculture, thereby increasing overall demand, promoting agricultural exports and savings on imports, and helping to improve the balance of payments and trade.

For over twenty years, two countries have provided our best models of agriculture's role in development. China has always assigned priority to agriculture and rejected the mirage of forced industrialization. China's leaders, in their plans, continue to ensure that a central role is given to agriculture. India has enjoyed very positive results on the expansion of its agricultural sector, thanks in particular to the Green Revolution, a remarkable example of modernizing farming through technology.

Most African States are highly dependent on agriculture, and statistics show that Africa is the region most affected by poverty.

Let us not forget that Africa is the region most exposed to catastrophe, not only those caused by nature, but also those caused by people both within and beyond its borders.

Accordingly, we call on IFAD and the international community to pay particular attention and take sustained action to help rural populations increase their productivity and their incomes, as well as improve their nutritional status and quality of life, in order to check the rural exodus and immigration that has become a global problem.

Madagascar, for its part, subscribes fully to the Millennium Development Goals. Under an initiative of our President, Madagascar has launched the innovative Madagascar Action Plan covering the five-year period from 2007 to 2012. The Plan will make a qualitative leap in development by mobilizing the Malagasy people and our international partners to generate rapid growth. This will lead to a reduction in poverty and ensure the country's development in response to the challenges of globalization in accordance with the "Madagascar Naturellement" vision statement and the Millennium Development Goals.

Rural development is one of the Government's priorities and is one of eight commitments enshrined in the Madagascar Action Plan. The "Madagascar Naturellement" vision statement, the Madagascar Action Plan and the National Rural Development Programme establish an overall framework for action on rural development. Dynamic rural development and effective poverty reduction form the cornerstone of the Government's efforts. Our rural regions will prosper through a green revolution that will bring a significant increase in farm production. Agribusiness centres will be set up to assist in training and meet needs in areas such as irrigation, seed, fertilizer and storage facilities.

To promote rapid development, better roads and communication systems will be built, and the Government will undertake to create an enabling environment for entrepreneurship and a robust private sector.

With support from our technical and financial partners – IFAD among them – and through our projects, the Ministry of Agriculture and Fisheries contributes to implementing rural poverty reduction strategies in pursuance of its mission to accelerate rural development to ensure that the fruits of growth are shared by all our people.

Let me take this opportunity to appeal to all our development partners here present to support my Government in carrying out the Madagascar Action Plan.

Madagascar and IFAD have travelled a long way together. Since 1979, IFAD has funded eleven rural development projects in our country, totalling US\$119.7 million. Three of them are currently under way. A new project in support of rural microenterprise in the highlands is now being formulated, and we look forward to intensifying our cooperation with the Fund in the years to come.

Madagascar presents its congratulations on the declaration of the effectiveness of the Seventh Replenishment of IFAD's Resources, with deposits of instruments of contribution which exceed 50 per cent of pledges. We commend this result as a sign of the trust the member States place in the organization.

Madagascar has always hoped that, in its regional allocations, the Fund will increase the amount of lending for Africa, including my country, or at the very least maintain the status quo given the satisfactory results on African programmes identified by 2005 portfolio management reports.

Our delegation welcomes IFAD's initiative to collaborate with the African Development Bank on a joint independent evaluation of agricultural programmes in Africa. We await the results of that evaluation with interest.

IFAD's President played an active part on the High-level Panel on United Nations System-wide Coherence and its recent report, and we appreciate his efforts to strengthen collaboration with the other Rome-based United Nations agencies, as well as the orientation given to the IFAD Strategic Framework 2007-2010, which places food security at the centre of its concerns.

It is our delegation's hope that continued discussions on the voting rights of Member States and the composition of the Executive Board this year will improve our representation within IFAD's decision-making bodies.

Statement of the Governor for the Kingdom of Morocco

It is a great honour to participate in this thirtieth session of the Governing Council of the International Fund for Agricultural Development. I would like to take this opportunity on behalf of the Kingdom of Morocco to thank the Italian authorities for their ongoing support of IFAD and express our appreciation for and recognition of IFAD's President, Vice-President and entire staff for their unceasing efforts to improve the quality of IFAD's services.

Combating poverty and promoting the rural milieu have become primary concerns for all countries, including the most developed ones. It is now universally recognized that rural development is the key to our countries' comprehensive, balanced and equitable development.

Given the size of the rural population and the diversity of resources that abound in our semi-desert regions, economic growth can be achieved only through a greater appreciation of these resources, which create wealth and employment and help quicken the pace of economic growth in our countries.

This perspective is embodied in IFAD's new COSOP strategy, which attaches maximum importance to the development needs of the rural population in Morocco's mountainous, arid, poor areas.

We commend IFAD's active role in combating poverty and promoting the rural milieu through its positive interventions and field operations in the development programmes and projects that it supports. All channels must be exploited – including the development of our own resources and the securing of additional resources – to pool our efforts within a framework of international solidarity to combat poverty and achieve sustainable development.

Morocco has identified rural development as a near-term policy objective in its 2020 Rural Development Strategy. It is committed to the continued implementation of rural development programmes and the provision of the resources needed to implement them. Morocco has made diversification of the rural economy a priority for alleviating the impact of climate change and recurrent drought, which adversely affect agricultural production.

The 2020 Rural Development Strategy was fashioned through a new series of programmes and projects based on collaborative programming and planning. IFAD has contributed 50 per cent of the financing for these programmes through the following collaborative development projects now being implemented at a cost of US\$160 million:

- Livestock and Rangelands Development Project in the Eastern Region – Phase II
- Rural Development Project in the Mountain Zones of Al Haouz Province
- Rural Development Project in the Mountain Zones of Rachidia Province
- Rural Development Project in the Eastern Middle Atlas Mountains
- Rural Development Project for Taourirt – Taforalt

These projects have improved farmers' living conditions by increasing their incomes, contributing to greater stability, enhancing natural resource management and exploitation, and conserving natural resources.

Morocco's proposed rural development policies require new approaches and methods that are based on the coordination of sectoral programmes within an integrated, collaborative, decentralized, holistic vision.

The National Initiative for Human Development launched by His Majesty King Mohammed VI on 18 May 2005 focuses on these very same principles and embodies a

progressive methodology for comprehensive development, particularly in marginal areas left behind by economic and social development.

This initiative is based on cooperation, strategic planning, partnership and good governance. It aims to reduce poverty and social marginalization by supporting income-generating projects, building capacities, improving conditions for access to services and infrastructure (education, health, roads, water, sanitation and environmental protection), and supporting marginalized groups.

This initiative has in turn spawned local human-development initiatives involving concrete medium- and long-term development plans for the targeted provinces and regions.

The selection of rural employment and livelihoods as the main theme for the 2007 Governing Council session reflects the awareness of IFAD and its members of the importance of this theme in achieving rural development by creating ways to boost rural employment and create small, income-generating projects for the rural population.

The 2020 Rural Development Strategy focuses on training and employment to combat poverty. The strategy's general approaches underpin the working programme of Morocco's Ministry of Agriculture, Rural Development and Fisheries. This programme promotes rural employment by:

- Developing employment through education and occupational training and the integration of rural youth. By 2010, some 300,000 rural young people will have benefited from a graduated occupational training programme. Members of the professional community will participate in providing training in diverse rural occupations.
- Developing a partnership with professional organizations of the respective production chains with a view to training and integrating youth through a competencies-based approach that meets their needs and engenders a new generation of young entrepreneurs who will in turn provide training and enhance the agricultural sector's competitiveness.
- Diversifying the labour force into off-farm activities in response to the high demand for jobs among an active rural population, especially among rural women.
- Strengthening many activities and creating micro-, small and medium-sized rural enterprises to develop local rural services to help close the rural-urban gap.
- Encouraging the creation of small rural-service centres and service enterprises that deal with and integrate traditional handicrafts and rural tourism, agricultural machinery repair, the marketing of means of production, and the valuation and transfer of agricultural products.
- Formulating a new "call for projects" approach, and forming a bank with technical and economic resources for enterprises.
- Promoting the organization of economic intermediaries (NGOs, professional agricultural organizations, and groups with shared goals) that operate in the form of integrated networks.
- Formulating and applying measures to meet the goals of the rural employment promotion policy, chief among which are the following:
 - Legal measures under which young entrepreneurs may gain access to land
 - Institutional measures to encourage investors to implement projects in rural areas

- Establishment of an integrated financing and promotion system for young rural entrepreneurs
- Establishment of a system for receiving, supporting and monitoring young people
- Encouragement of the creation of rural service and production enterprises that meet the needs of young entrepreneurs, provide training and guidance to farmers, and provide expert services to monitor meat and food in professional agricultural training institutions

Ensuring a stable population of rural youth is the best way to revive agriculture and employment. Despite the obstacles inherent in this area, a number of existing, pioneering models could be studied in order to identify the necessary prerequisites, such as:

- Young people's desire for a stable rural environment
- Young people's sense of entrepreneurship
- Dual-tier training in entrepreneurship
- The existence of family or professional networks that support the stabilization project

In addition, young entrepreneur associations concerned with local and regional development can help develop local rural youth stabilization policies and provide information and support to young people wishing to implement rural projects.

We look forward to continued cooperation with IFAD in implementing projects that support Morocco's efforts to combat poverty and promote rural employment.

Finally, I would like to underscore that Morocco is proud of its very fruitful cooperation with IFAD. We greatly appreciate IFAD's ongoing, constructive efforts to keep pace with our country's efforts to implement development programmes and projects, particularly those designed to enhance productivity, conserve rural resources and improve the living conditions of rural populations.

Statement of the Governor for Papua New Guinea

Ladies and Gentlemen, I would like to take this opportunity to join my fellow Governors and express our appreciation to the President of the International Fund for Agricultural Development and the Italian Government and also to the people of Rome for hosting this session of IFAD's Governing Council and for the warm welcome and the excellent arrangements provided for us in this historical and wonderful city. It is truly a pleasure to see the beauty of the country and the richness of its culture.

On behalf of the Government and people of Papua New Guinea, I convey to you and your families, and to all those who will be working with you in the year 2007, my sincere wishes for peace, prosperity and good will. It is a real pleasure for our delegation to take the floor on the occasion of the thirtieth session of the Governing Council of our institution. This year's theme of the panel discussion: "Rural Employment and livelihoods", is an especially important topic for most developing countries where the bulk of the population live in rural areas and depend mainly on agriculture for their daily survival. It is time to focus on creating, through collaborative efforts, an enabling environment for those living in the rural areas, for example through greater opportunities for employment.

As an international organization devoted to alleviating poverty and hunger, IFAD has over the past two and a half decades made a positive contribution to supporting rural economic development and improving farmers' production and living conditions in the impoverished areas of the developing world. On behalf of the Government of Papua New Guinea, I would therefore like to express our appreciation to IFAD for its continued support.

The international community is now passing through a critical stage in history, in view of the recent world developments related to globalization and economic liberalization. The opportunities and challenges arising from such developments are not confined to political, economic, social and cultural aspects, but are gaining growing importance in several other sectors.

Of all sectors, the agricultural sector could be the most vulnerable to challenges in the coming period. However, all the countries in the world - be they developed, developing, transitional, net food-importing or net food-exporting - will be exposed in varying degrees to such challenges, particularly in view of the fact that challenges facing the agricultural sector have become more complicated and more interlaced with several other sectors and areas.

In the past decade, the negotiations on the agricultural sector started under the World Trade Organization. These negotiations have been characteristically difficult and complex, given that they must take into account a wide array of interlaced and sometimes contradictory considerations.

This involves balancing the interests of developing, advanced, net food-importing and net food-exporting countries. These interests include trade liberalization in agricultural commodities on the one hand and the need to protect small farmers and achieve food security on the other. Most developing countries have difficulty in accessing markets and acquiring improved agricultural technologies.

All of this must be carried out within a supportive framework for sustainable development, environmental and human health protection, particularly as diseases have become more dangerous and more easily communicable. Rapid outbreaks of "mad cow disease" and avian influenza are but examples of the problems that can face the global community. In addition, the world's population recently surpassed the 6 billion threshold of which over 800 million, including 200 million children, are the victims of famine. One half of the population of the globe still lives on less than US\$2 per day.

Moreover, as stated in the recent report on progress towards the Millennium Development Goals in Asia and the Pacific, the world population is expected to increase by two billion in the next two decades, placing a major burden on the international community in the form of doubling agricultural production, alleviating poverty and hunger, realizing food security and protecting the environment. The achievement of these goals is considered an essential requirement for world peace, security and stability.

As member countries of the United Nations, we have already expressed our firm determination at the Millennium Summit to pursue serious endeavours to halve the numbers of those living in abject poverty by 2015.

In view of the foregoing, IFAD's activities gain an increasing importance in assisting the developing countries to fulfill their hopes and ambitions in eliminating hunger, alleviating poverty in rural areas and facing the adverse effects of open-door and economic liberalization policies.

I am sure that your esteemed council will proceed as usual to formulate innovative strategies for the future that evolve in line with the successive developments on the economic arena, in order to achieve the hoped-for goals within the framework of constructive dynamic cooperation among beneficiary countries, financial and development institutions, non-governmental organizations and the private sector.

The PBAS, as it is applied today, is a major concern for most developing countries for its identified pervasive effects on the allocation of resources to countries. In fact, beyond its strong bias towards the population factor, it has become an instrument that provokes confrontation and division among regional groups, and among countries within the same regional group.

We will continue to advocate for caution in the implementation of this system as long as we remain unclear about its connection and rationale with regard to the strategic orientations, priorities and mandate of the Fund. Our sentiment, at this point in time, is that the PBAS system is being implemented too rapidly. More stringent considerations, such as global allocation to replace regional allocations, are being applied regardless of the results of the first year of implementation. We therefore remain convinced that its thorough revision, on the basis of information available to date is absolutely necessary.

Papua New Guinea is an agricultural nation with huge potential. The agriculture sector has a significant role to play in providing broad-based income and employment to the vast majority of the population in the country, most of whom still live in rural areas. Most of these rural people are engaged in subsistence agriculture.

In recent years, the agriculture sector has faced many difficulties, and except for one or two subsectors, has not fared well. The estimated growth has been well below expectations, often around 1 per cent, compared with a population growth of 2.7 per cent. This has naturally affected most of the rural population, who depend exclusively on agriculture for their livelihoods.

A number of factors, including the National Agricultural Development Plan, have been identified as responsible for the lack of growth in the agriculture sector.

My Government, with technical support from FAO, has formulated the National Agriculture Development Plan (NADP 2007-2010) as a framework for the implementation of our National Food Security Policy. The NADP is the vehicle through which the Government of Papua New Guinea intends to refine and implement its sector strategies as formulated in the Government's overarching National Development Strategy (the Medium-Term Development Strategy [MTDS 2005-2010]).

My Government has also developed strategies and plans that complement the Government's overall reform programme in the public sector, financial management, budget execution and related areas, with equal priority given to addressing social issues such as law and order, and good governance. Its primary objective is to address the widely recognized failures in markets and governance that have become so obvious in the implementation of the Organic Law and in the corporatization and decentralization of the agriculture sector, most notably in extension and information services for farmers.

My Government also has been giving priority attention to the restoration of basic needs and services, including safe drinking water, roads, communication services, shelter, primary education and basic health care. My Government gives priority to HIV/AIDS and has also set up a working committee on avian influenza, cocoa pod borer, sugar cane smut and potato blight.

On behalf of my Government, I would like to raise the following as country-specific issues and initiatives for IFAD to consider over the next couple of years:

- Reactivate the IFAD country programme for Papua New Guinea
- Appoint a permanent IFAD country programme manager to be located at the United Nations Development Programme country office in Papua New Guinea
- Request IFAD to assist Papua New Guinea and the other Pacific Island Countries through a regional project to set up a regional organic certification body to be affiliated to some of the recognized international certification authorities for the certification of locally produced vegetables and fruits to enter overseas markets
- Build the institutional capacity of the existing National Certification Authorities such as the National Standards and Certification Council for Papua New Guinea
- Request IFAD to consider the PBAS in terms of individual country performance

To conclude, Mr Chairman, I am pleased to note that through the active support of the donor community and the participation of the private sector, we will implement our National Agricultural Development Plan in the medium term.

Statement of the Governor for Romania

I should like first of all to underscore that since it joined the European Union on 1 January 2007, Romania continues to mobilize all available resources for agricultural development, without thereby neglecting the social consequences flowing from global economic policies that directly affect poor and low-income people, particularly in rural areas.

The theme of this year's Governing Council session and the matters to be taken up at the round-table discussions are of great importance, and I hope they will serve their purpose by enabling our delegations to put forward their views and take into account the recommendations made during deliberations.

Let me assure you that Romania, as one of the founding members of this organization, pledges full support to the fulfillment of IFAD's mandate to combat rural poverty and will continue to give priority to IFAD's activities to improve its country impact and IFAD's efforts to forge partnerships and build capacity within the countries.

In Romania, the agriculture sector is fundamental to the national economy and is of great economic and social significance. The major challenge facing Romania today is a large number of farming households at subsistence and semi-subsistence levels, farming on overly divided small plots averaging 2.3 hectares with inadequate financial resources and insufficient farm machinery. Over the past two years, agriculture has employed some 34 per cent of the sector's active population.

One key policy is to make family farms commercially viable by concentrating land and strengthening the effectiveness of associations, thus raising rural living standards.

Implementing development projects and programmes in support of young people in rural areas will steer them towards agriculture and, through their participation in targeted training, expand their horizons and ensure the continuity of traditional activities.

By carrying out restructuring programmes, the agricultural sector is modernizing and becoming more efficient, while generating off-farm employment to create alternative income sources.

Agricultural activities will be diversified to include all kinds of commercial ventures, such as raw materials processing, direct marketing and agritourism. Special attention will be paid to supporting semi-subsistence farms linked to such diversified supplementary activities, in order to make the most of their working capacity and give them a market orientation.

Through the national programme "The Farmer", we are promoting and supporting investments in agriculture and in product processing, storage and development, as well as in other sectors specifically linked to farming activities. A fund was set up by the Ministry of Agriculture to implement this programme and is managed by a number of banks and financial institutions.

The Ministry of Agriculture is also promoting a strategy to transfer land from farmers over 62 years of age to young farmers, by sale or by lease. The Living Wage Programme for older farmers provides 50 euros per hectare per year under leasing agreements and 100 euros per hectare per year for sales contracts.

A high proportion of young people on subsistence farms are unemployed. To make use of their labour, microenterprises will be encouraged to start up economic ventures in rural areas and diversify supply to include services for rural populations.

Agritourism and recreational activities will be supported as well, thus helping to create new employment.

During the period 2007 to 2013, Romania will have access to European Community funding for rural development and agriculture under Pillar II of the European Agricultural Fund for Rural Development, in the amount of 7.1 billion euros.

In addition, twenty measures will be put in place as of 2007 under the new Rural Development Programme of the Special Accession Programme for Agriculture and Rural Development, in order to:

- Boost the competitiveness of agriculture and forestry – 45 per cent
- Improve the environment and countryside – 25 per cent
- Raise the quality of life in rural areas and diversify the rural economy – 30 per cent
- Under the LEADER Programme, carry out a territorial pilot – 2.5 per cent

Our country is interested in continued collaboration with IFAD and in expanding activities under certain development programmes in disadvantaged rural areas, and appreciates the leading role played by IFAD in developing rural poor areas and supporting agrarian reform.

In Romania, IFAD's initiatives in support of governmental action on economic development and improved living conditions in areas which are disadvantaged or temporarily affected by climate or social factors have born fruit in the Apuseni Mountains Rural Development Programme. The main objective is to increase farmers' incomes and improve the quality of life in the mountain region by creating new jobs and supplementing income.

In closing, I should like to announce that Romania has formalized its pledge to contribute to the Seventh Replenishment of IFAD's Resources in the amount of US\$100,000, payable in two equal tranches in 2008 and 2009.

Statement of the Governor for Sri Lanka

On behalf of the President and the Government of Sri Lanka, it is my pleasure to address this distinguished gathering at the thirtieth session of IFAD's Governing Council and at this particularly important moment in my country's history. Sri Lanka today is strongly upholding its democratic principles while confronting all developmental issues, despite the threat to its democratic systems posed by terrorism.

From the twenty-ninth to the thirtieth session of the Governing Council, Sri Lanka has seen many changes. One of the most important factors underlying these changes has been the ability of the Government of His Excellency Mr Mahinda Rajapaksa to muster the support of a broad base of political parties, thereby enabling progress to be made in building consensus on solving the ethnic issue. This internal consensus is crucial for finding a lasting solution to the problem.

In the uphill task of achieving the Millennium Development Goals – and against the backdrop of the country's threatened democratic systems – IFAD has played a major and definitive role in the development process in Sri Lanka. Sri Lanka, a member of IFAD since its establishment, appreciates the Fund's continuous assistance in alleviating poverty and making lives better for the vast majority of rural Sri Lankans.

IFAD is continuing to expand its good work, setting a target of US\$720 million for the seventh replenishment of its resources. This is the way forward for emancipating the poor, particularly the rural poor. Sri Lanka, as a recipient of IFAD's assistance, would indeed benefit from such an increase and is committed to fulfilling its requirements for the Seventh Replenishment as scheduled.

Some 72.2 per cent of Sri Lankans are living in rural areas and an additional 6.3 per cent on the plantation estates. With a share of 17.2 per cent, agriculture is still the third-highest contributor to GDP, after the service and industry sectors. About 30.7 per cent of the people are still employed in the agriculture, fisheries and forestry sector. Therefore, the Government attaches great importance to the agriculture-related sectors. As in many other parts of the developing world, migration from rural to urban areas and abroad is on the rise, mostly of unskilled and semi-skilled workers. Overseas labour migration represents about 16 per cent of the total labour force; yet, the unemployment rate stands at 15.2 per cent.

The importance attached to agriculture in Sri Lanka is clearly reflected in the agricultural policy of "Mahinda Chintanaya", President Mahinda Rajapaksa's policy document, which includes a comprehensive set of proposals to revive the agricultural sector. The policy on agriculture emphasizes promoting subsistence farming as a means to advance the overall rural agricultural economy while also recognizing the strong links between agriculture and trade, and ensuring a balanced attitude towards both the producer and the consumer. The policy also supports a shift in the agricultural sector towards foreign trade, seen as vital for improving the economic aspirations of the farming community. To this end, much emphasis is placed on value addition to agricultural products. Given Sri Lanka's commitment to maintaining good environmental practices in agriculture, organic farming is encouraged and supported with state patronage.

Thus, Sri Lanka also notes with much interest and appreciation the themes of the three round tables organized for this Governing Council session, which focus on some of the key underlying causes and effects of rural poverty.

As an organization, IFAD continues to demonstrate its professionalism and commitment to achieving its objectives. This would not have been possible were it not for the stewardship of President Bâge and the support of his able and committed staff. Sri Lanka appreciates their efforts and dedication.

Sri Lanka looks forward to continuing to work with IFAD in empowering the rural poor through sustainable livelihoods that can improve their living conditions, while also enhancing its cordial relationships with the community of IFAD nations in order to achieve the objective of alleviating poverty globally.

Statement of the Governor for the Kingdom of Swaziland

Rural Employment and Livelihoods – The Case of Swaziland

Agriculture as an employment provider

Agriculture has long been a significant source of employment and livelihood for the country's rural population, with smallholder agricultural production seen as the main driver of the rural economy.

The rural sector in Swaziland can be classified into three main subsectors, namely:

- (i) the smallholder (subsistence/semi-subsistence) subsector, consisting of self-employed households producing staple food and some commercial crops;
- (ii) the commercial farm subsector, composed of small and medium-sized farmers, which provides employment to a significant number of rural inhabitants; and
- (iii) the rural non-farm subsector.

The agriculture sector is important for a large segment of Swaziland's population, although in terms of GDP, its contribution has been declining, mainly because of the current drought affecting the entire Southern African region. The principal tradable commodities include sugar, cotton, citrus and tobacco, mostly produced on modern and large-scale private farms, with the rest produced under subsistence farming on Swazi nation land.

The structure of the agriculture sector in Swaziland is such that production for export is mainly from the output of the commercial farm subsector on title deed land. This subsector is characterized by relatively high capital intensity and cash crop production. On the other hand, the traditional smallholder subsector on Swazi nation land consists of about 90,000 household-operated farms, with an average size of about 1.7 ha, and is characterized by communal tenure, rainfed technology and a high concentration of subsistence maize production.

Due to the decline in direct foreign investment in Swaziland since the early 1990s, formal sector employment opportunities have increased only marginally. This has forced many households to take up or return to subsistence agriculture, with an increased risk of variable incomes and fluctuations in food availability and food security. As a result, almost a third of the country's labour force are unemployed, according to current estimates, and about 69 per cent of the total population continue to languish in poverty, with a majority found in rural areas.

Agriculture and rural livelihoods

The current drought has impacted negatively on the country's agriculture sector, and rural livelihoods have been severely affected as people are now unemployed and food-insecure. For instance, farmers in the Lowveld, dry Middleveld and Lubombo Plateau used to produce cotton (under rainfed conditions), which they would sell using the returns to buy food (maize) either from retail outlets or directly from farmers in the high rainfall areas. Cotton is no longer a viable crop in the dry areas mainly because of the current drought and the very low returns to the producer. The deterioration of the once-thriving labour-intensive cotton industry of the Lowveld appears to be unstoppable. Production levels of nearly 15,000 metric tonnes on 28,000 ha in 1998/99 have collapsed to insignificant figures in the current year. This has dramatically affected access to seasonal and casual employment opportunities, which are critically important to the livelihoods of the poor in the Lowveld and dry Middleveld. Households in these areas are therefore highly vulnerable to shocks such as drought; currently they are producing neither food crops nor cash crops and are consequently food-insecure and heavily dependent on food aid interventions.

Households and livelihoods

The concept of livelihoods should be viewed in a broad framework, where livelihood refers not only to activities that people carry out to earn a living, but also to all the different elements that contribute to, or detract from, people's ability to ensure a living for themselves and their households. Such elements include:

- (i) the assets that the household owns or is able to gain access to (human, natural, social, financial and physical);
- (ii) the activities that allow the household to use those assets to satisfy basic needs;
- (iii) the different factors that the household itself may not be able to control directly, like the seasons, natural disasters or economic trends that affect its vulnerability; and
- (iv) policies, institutions and processes that may help them – or make it more difficult for them – to achieve an adequate livelihood.

Recent vulnerability assessments conducted in Swaziland have revealed that strategies that households develop to ensure their livelihoods largely depend on how they can combine their livelihood assets, taking into account the vulnerability context in which they live, and the policies, institutions and processes that affect them.

Households in the most vulnerable areas, such as the Lowveld, dry Middleveld and Lubombo Plateau, have lost their immediate means of sustaining livelihoods due to asset disposal, the failure of agricultural production and the lack of savings. These households have now turned to other sources of support and are drawing on assistance from the Government in collaboration with donors and NGOs. Such assistance, which comes mainly through food relief and food-for-work programmes, has become increasingly important in Swaziland in response to the current drought. Recovery from drought appears to be a slow and painful process. The loss of rural livelihoods has been exacerbated by the high incidence of HIV/AIDS, which continues to claim the lives of formerly able-bodied people. With livestock assets wiped out, debts accumulated and grain silos empty, many people in drought-stricken areas continue to be severely affected. Prospects for mobilizing off-farm income sources are also hampered by the escalating levels of poverty and macroeconomic decline.

Policy recommendations

Nature of policy. Many areas of policy impinge on rural livelihoods. It is not just agricultural policy, or even rural policy, that is important, but a whole range of cross-sectoral policies that provide the framework for rural people's livelihoods. As farming livelihoods become increasingly constrained and off-farm formal employment options become more and more limited, policies that support the diversification of the rural income base become vitally important.

Rural versus urban settings. In Swaziland, rural and urban areas are intimately linked through various networks and resource flows. Therefore, policies that affect off-farm employment also affect livelihoods in the communal areas. For people with a limited asset base in terms of land and livestock, securing a living from farming alone is a major struggle in the dry areas. Income diversification could be supported by encouraging labour-intensive activities in rural manufacturing, industry and trade, all vital components of rural development initiatives. Rural industries can absorb relatively unskilled labourers, thereby creating employment for the rural poor, currently the majority in Swaziland. A combination of targeted credit, subsidies and capacity-building is also needed in order to spearhead a meaningful change process.

Job creation. Given the current state of Swaziland's economy, and the inability of the private sector to expand and absorb the growing pool of unemployed people, there is an immediate need to encourage the growth of labour-intensive sectors in the economy. For

example, small-scale farming and industry have the potential for increasing rural employment and national productivity. Well-articulated and -coordinated agricultural development strategies that favour small holdings over large ones may be a good strategy to start with. This will help tap into the resources and labour of about 70 per cent of the population found in the rural areas of Swazi nation land.

The following specific measures constitute the necessary steps towards employment generation and skills development in a broader framework:

- (i) develop a comprehensive human resource plan for the entire country, with a strong bias towards vocational education based on a strengthened partnership between industries and educational institutions;
- (ii) promote the establishment of skills training centres and institutions; and
- (iii) strengthen career guidance programmes in schools.

Encourage growth in the private sector. The private sector in Swaziland can be a major source of employment. A positive approach would be to recognize the invaluable contribution of this sector and encourage it to expand. Government policies should be streamlined so that they can provide an enabling environment for foreign direct investment and the expansion of microenterprises. This calls for easy access to production resources, provision of concessionary credit, well-established markets and the provision of reliable and up-to-date information and technology.

Chapter 4

Statements and special addresses

**Welcoming statement by the President of IFAD,
Lennart Båge,
on the occasion of the visit of
Her Excellency Luísa Dias Diogo, Prime Minister of the Republic of Mozambique;
His Excellency Tommaso Padoa Schioppa, Minister for Economy and Finance of
the Italian Republic;
His Excellency Abdul Rahman H. al-Attiyah, Secretary-General of the
Cooperation Council for the Arab States of the Gulf; and
His Excellency Suleiman J. Al-Herbish, Director-General of the OPEC Fund for
International Development**

Madame Prime Minister,

I have the pleasure of welcoming you to the thirtieth session of the Governing Council of IFAD. Allow me, on behalf of all the Member States of IFAD, to express our sincere appreciation to you for having accepted to inaugurate today's session.

You know IFAD well having been a Governor in your previous capacity as Vice-Minister for Planning and Finance. You have direct personal experience in guiding your country's development strategy and coordinating external assistance in its support. The success of these efforts is visible. Mozambique in recent years has achieved one of the most rapid rates of development in Africa. Unlike numerous countries in the region, your country is on track to reach many of the Millennium Development Goals, despite being vulnerable to natural calamities, such as the recent floods in the Zambezi valley – the largest in several years.

Given your extensive experience, it was natural for the previous Secretary-General, Mr Kofi Annan, to ask you to serve as a co-chairperson of the United Nations High-level Panel on System-wide Coherence. Panel members benefited greatly from your knowledge, insights and leadership. I know that you are committed, as we are in IFAD, to fostering a United Nations system that is coherent, efficient, effective and well funded, a system that "delivers as one". Your presence with us today is an inspiration to the work of the Council.

Mr Minister,

May I once again express our gratitude for your presence here today. As host to the three United Nations agencies dealing with food, agriculture and rural development, Italy has long played a key role in international development cooperation. Minister Padoa Schioppa, your country has been a generous host and a strong supporter of the goals of IFAD. Over these last months, you have addressed the great challenge of managing your country's economy in a rapidly changing world. Your belief in the importance of development aid is strong, as shown by the recent initiative on the Advanced Market Commitment for vaccines pilot-proposed by your Government. We are truly happy that you can be with us today, and your participation underlines Italy's continuing support to the United Nations system and to IFAD in particular.

I am also most pleased to extend a warm welcome to the Secretary-General of the Cooperation Council for the Arab States of the Gulf (GCC), His Excellency Abdul Rahman H. al-Attiyah. Mr Secretary-General, your presence serves to highlight not only the strong partnerships that exist between IFAD and the Member States of the GCC but also

your personal commitment to the Fund. Having represented your country at the time of IFAD's creation 30 years ago, your participation here today symbolizes both a long-standing and reinforced partnership.

It is also my pleasure to express our appreciation to the Director-General of the OPEC Fund for International Development, His Excellency Suleiman J. al-Herbish, for being here today. Mr Director-General, 30 years ago, both our Funds were created with the common aim of enabling poor people, especially in rural areas, to secure a better life. Today our commitment to that goal is as strong as ever. Once again, I must mention the importance of partnership, of combining resources, skills and experience for the common good of our beneficiaries. Indeed, over the past five years, the OPEC Fund has been the largest multilateral cofinancier of IFAD projects, and we look forward to strengthening this collaboration in the future.

It is always a great pleasure to have with us our close friends and colleagues from the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP). Their presence here bears witness to the strong and close collaboration among FAO, WFP and IFAD, and our commitment to intensify our partnership.

Finally, allow me to conclude by reiterating to each one of you the appreciation of the Fund's Governors for the honour of your presence today. We very much look forward to your statements.

Statements and Special Addresses



H.E. Luísa Dias Diogo,
Prime Minister of the Republic of Mozambique



H.E. Tommaso Padoa Schioppa, Minister for
Economy and Finance of the Italian Republic



Mr Lennart Båge,
President of IFAD



H.E. Abdul Rahman H. al-Attiyah,
Secretary General, Cooperation Council for the
Arab States of the Gulf



H.E. Suleiman J. al-Herbish, Director General,
OPEC Fund for International Development



Mr Tesfai Teclé, Assistant Director-General,
Food and Agriculture Organization of the
United Nations



Ms Sheila Sisulu, Deputy Executive Director,
and Officer-in-Charge,
World Food Programme

Inaugural address by Her Excellency Luísa Dias Diogo, Prime Minister of the Republic of Mozambique

Allow me at the outset to express my appreciation to the President of IFAD for the kind invitation extended to me to take part in this inaugural ceremony of the thirtieth session of IFAD's Governing Council.

I would like to take this opportunity to convey my profound gratitude to the Government of Italy and to IFAD for the cordial hospitality extended to me and to my delegation since our arrival in Rome.

It is a great privilege for me to share with this august gathering the views and expectations of the Government and people of Mozambique on our country's efforts to eradicate poverty and the contributions of IFAD and all the United Nations family to this endeavour. As requested by IFAD, I will put into perspective the proposed recommendations made by the High-level Panel on United Nations System-wide Coherence in the Areas of Development, Humanitarian Assistance and the Environment.

I am glad to know that this session of the Governing Council will discuss important issues relating to the empowerment of rural communities through employment and livelihoods. The topic of this session could not be timelier as we are now reaching mid-term in the time frame set for achieving the Millennium Development Goals. Regrettably, much still remains to be done to halve the proportion of people living in extreme poverty by 2015.

Achieving the Millennium Development Goals still poses a considerable challenge for many countries. We strongly believe in an integrated approach that takes into consideration the major constraints, among which I would highlight, first, sustainable development centred on human beings; second, capacity-building; third, diseases; and fourth, the need for all stakeholders to strive for a high degree of commitment and the harmonization and complementarity of their interventions.

In this regard, Mozambique has embarked on a five-year plan, 2005–2009, that aims to reduce poverty through a poverty reduction strategy paper – nationally known as the Strategy Document for the Reduction of Poverty and the Promotion of Economic Growth (PARPA) – that reflects this integrated approach. As a result, the Mozambican economy has been growing at a rate slightly higher than 7 per cent per annum with significant impact on the population's well-being.

The proportion of poor people in the total population dropped from 69.4 per cent in 1997 to 54.1 per cent in 2003. Notwithstanding this result and positive projections indicating that the rate of growth will be maintained until 2014, demographic data do not follow the same trend.

We managed to achieve these positive results thanks to the determination and commitment of all Mozambicans to fight poverty. Our efforts benefited from the continued support of our bilateral and multilateral partners. IFAD, for example, has supported projects targeting poverty reduction in rural areas, combating and reducing hunger and malnutrition, and raising the productivity and incomes of our people living in absolute poverty. With all these efforts, we expect to achieve our country's social and economic development goals.

Environmental problems and natural disasters have a direct impact on the development process and people's livelihoods; they therefore require an appropriate response in order to safeguard the gains made so far in achieving the Millennium Development Goals. Loss of soil quality and irregular rainfall due to global warming negatively affect agricultural production and increase the risk of natural disasters, thus heightening the nation's

vulnerability. Mozambique is vulnerable to cyclical natural disasters, and, at this very moment, our people in the central provinces of Manica, Sofala, Tete and Zambézia are facing floods. In this context, we deem it necessary for PARPA to include activities for disaster preparedness and prevention, mitigation and support in order to overcome the challenges posed by nature.

The Government and the communities of Mozambique have improved their capacity to face natural disasters over the last years. The optimum exploitation and harnessing of natural resource capital for the poor, within a framework of enabling national policies, coupled with the drive for good governance, have created a fertile ground on which the seeds of our joint efforts will grow and bear their fruit.

In this regard, the nine IFAD programmes and projects in the country – covering development support in the sectors of rural finance services, market linkages, infrastructure development, artisanal fisheries, as well as agriculture and food security – have contributed significantly to this end. We are determined to ensure that the poor attain a higher standard of living through these interventions.

More importantly, through IFAD-supported programmes, the rural finance services have begun to build awareness and stimulate the development of diverse and cross-cutting social and economic programmes in the country. It is interesting to note that the rural finance programme is special to us in Mozambique because it is the result of a tripartite effort involving IFAD and the African Development Bank – two of the most supportive multilateral financial institutions helping Africa – plus the Government. The approaches adopted have encouraged a focus on rural poverty alleviation and emphasize IFAD's role in the design of rural sector development initiatives. The implementation of programmes in various sectors is beginning to create jobs and opportunities for small to medium entrepreneurs, which is particularly appropriate for smallholder rural households.

I wish to acknowledge that, with IFAD's support, a culture of proactive management has prevailed, characterized by a process of delivery that ensures impact. Our country programmes are evolving into improved systems of management for impact, enabled by a strengthened culture of prudent financial management and by comprehensive monitoring and evaluation systems.

Many of the project implementers have customized the much-advocated participation of women and youth, who comprise a large proportion of our targeted rural poor. The most catalytic way in which all this proves possible is through a continuous dialogue between beneficiary countries and IFAD on how our programmes are run to ensure that the interests of the poor are the driving force. This should be complemented by strong coordination at the national level between the government concerned and the external partners involved in financing the programmes, as we learned in the case of Mozambique.

At the same time, we believe that the policy dialogue stronghold between the national governments and IFAD must be upheld. We urge that the strategy and framework of our work continue to be built on the cumulative experience and lessons learned from real field experiences. In the case of Mozambique, the achievements teach us that leadership and ownership at the national level and improved coordination with the donor community are the key factors contributing to success in reducing poverty. The value of such experiences is indisputable and must not be ignored, especially where issues affecting the rural poor are concerned.

Like a lighthouse, the Millennium Development Goals guide our way, powerfully reminding us that the developing world must no longer accept having some of its citizens living in conditions that are unworthy of human beings.

Without being distracted from the mainstream development agenda, I will now turn to the ongoing United Nations reform process. The reason for doing so cannot be overemphasized as the United Nations plays an important role in our efforts to achieve sustainable development. In fact, the role of the United Nations in development was the key reason we accepted the invitation to be part of this important reform process.

Last November, at the United Nations, the High-level Panel on United Nations System-wide Coherence in the Areas of Development, Humanitarian Assistance and Environment launched its final report, entitled "Delivering as One", containing important recommendations aiming at strengthening coherence and effectiveness in the entire United Nations system.

It was a great privilege for me, as a woman from Africa, to co-chair the United Nations panel, and it was a unique experience to work with you, Mr Lennart Båge, President of IFAD, and with such an extraordinary group of experienced and eminent panel members, who were all very diverse in their backgrounds and in the perspectives that they brought to our deliberations.

Let me underline that, within the limited time available to us, we managed to conduct a consultative process and ensure the engagement and commitment of concerned stakeholders from Member States, the United Nations system, intergovernmental forums, international financial institutions, academia and civil society organizations. This was a fundamental step towards developing bold, relevant and realistic recommendations on the three areas defined for the panel – development, humanitarian assistance and the environment.

Consultation on a variety of thematic issues directly influenced the recommendations that the panel put forward in November 2006, and enhanced understanding among panel members of the expected role of the United Nations at the country level. Information was provided on good practices, and on the major challenges to United Nations country-level coherence, enabling us to integrate the views of practitioners into the overall deliberations of the panel.

In general, it was clear to all panel members that the United Nations was felt to be struggling to define its role and that its credibility should be capitalized on for the success of the international agendas in the three focus areas.

We have seen in Mozambique that, as bilateral donors have increasingly moved into new aid modalities such as direct budget support, the United Nations country team have faced the risk of being sidelined. As expressed in the panel report, we want the United Nations to be a strategic player at the country level, supporting us in the preparation and implementation of our development strategy and ultimately helping us to make progress towards achieving the Millennium Development Goals and the other internationally agreed development goals.

We believe that the success of the United Nations reform depends on the commitment of individuals, member states and the international community as a whole. Thus, strong and sustainable support from member states, good leadership and ownership are needed. Therefore, as we did during the launch of the report, we call upon the United Nations and all its agencies, governments and development agencies and other relevant stakeholders to join hands and efforts in order to work towards a stronger coherence of the United Nations at the country level and its increased effectiveness.

I would like to emphasize that much has been achieved in the United Nations reform over the past years, and to express my belief that the panel recommendations for action are implementable and will contribute to advance the ongoing United Nations reform. We

ought to ensure that these good recommendations result in an actual change in the work of the United Nations, making it a true centre of excellence.

Based on the interdependent factors of humanitarian assistance, environment, poverty, peace and security interventions, it is now agreed that the integration and encapsulation of all these in a development package must define and steer the way forward for all development agendas. As a panel member, I think that, if we are convinced of this – and I am sure we are – the United Nations, with all the implementing agencies including IFAD, should now take into its stride the global agenda in the areas of development, humanitarian assistance and environment. This is the most important result that we can expect from the ongoing reform.

The unprecedented scale and scope of disasters such as the tsunami and floods that claim many lives among the world's poorest people underline the importance that improvement in the timeliness and predictability of humanitarian funding have had. As a result, international institutions dealing with humanitarian assistance and the environment have now made significant progress in providing more coordinated responses to emergencies at country level. Beyond the unpredictable natural calamities come yet other serious and pervasive problems confronting the world today: namely the staggering HIV/AIDS pandemic, land degradation, desertification, depletion of forests and loss of biodiversity, pollution, inadequate access to water and its proper management, not to mention limited access to safe drinking water and adequate sanitation.

Each of these problems has an important bearing on the poverty reduction and development efforts of developing countries, especially those in sub-Saharan Africa. In this region, for example, land degradation and desertification have led to the permanent loss of farmlands and consequently have adversely affected the livelihoods of poor farmers. This is why we assert that the United Nations and its agencies should regard themselves as duty-bound to give due attention to the integration of development, humanitarian assistance and environment.

As we commence the thirtieth session of IFAD's Governing Council, it is our expectation that the deliberations of this high-level meeting will produce concrete results in order to enable the Fund to face the challenges involved in achieving the internationally agreed development goals.

Let me end by quoting United Nations Secretary-General Ban Ki-moon, who said in his acceptance speech to the General Assembly upon election: "The true measure of the success for the United Nations is not how much we promise, but how much we deliver for those who need us most." I would like to affirm that IFAD has been working in a way that can make positive differences in our countries – first by listening to our governments and our communities when preparing projects; second, by challenging local capacity to implement the projects; third, by being creative and imaginative in order to find the best solutions; and fourth, by working for results not only for good processes.

Finally, I would like to congratulate the Governing Council of IFAD on the convening of its thirtieth session, which reflects its maturity and longevity in the fight against poverty.

**Keynote address by the Minister for Economy and Finance
of the Italian Republic,
His Excellency Tommaso Padoa Schioppa**

On behalf of the Italian Government, I should like to wish you all a very warm welcome to this session of the Governing Council, addressing a special greeting to Her Excellency Luísa Dias Diogo, Prime Minister of the Republic of Mozambique, and His Excellency Abdul Rahman Al-Attiyah, Secretary-General of the Cooperation Council for the Arab States of the Gulf.

I should also like to express my best wishes for the success of this important meeting of the Council, with an agenda reflecting the growing attention of the international community to development issues and living conditions in the poorest rural areas.

In recent decades, the problems facing the world's poorest farmers have been growing increasingly complex in the context of globalization and the commercial and financial integration of the world economy.

Agricultural markets are increasingly focusing on more differentiated products than in the past, seen particularly in the trade in primary commodities. Against such a backdrop, multinationals have been able to expand their role in processing and distributing agricultural produce, while small-scale producers in the most disadvantaged farming areas have been penalized by the lack of services and trade outlets.

These glaring inequalities in productive and commercial dynamics are compounded by other serious factors that impact negatively on less developed agricultural sectors, such as climate change, war and disease.

The phenomena of desertification, deforestation and degradation of arable land, whether linked to variations in climate or to excessive exploitation of natural resources, have exacerbated the problems of entire regions.

Conflicts also keep breaking out, sometimes involving a number of countries, leading not only to a halt in economic development, but also to migration phenomena, which certainly do not help to improve the living conditions of the peoples affected.

Diseases, especially AIDS, are changing the demographic structure of whole countries, particularly in sub-Saharan Africa, undermining the social fabric as well as economic structures. Pneumococcus – a disease now under relative control in industrialized countries – is alone responsible for 1.6 million deaths each year. Italy has been devoting considerable resources to various initiatives launched by the international community in recent years in the drive to eradicate disease. Here I would particularly mention the new vaccine programme – Advanced Market Commitments – that was proposed by Italy and launched in Rome a few days ago, with a pilot project focusing on pneumococcus and a commitment of US\$1.5 billion.

The Italian Government is aware that the economic problems of the poorest areas are aggravated by shortcomings in the health sector, and therefore intends doing all it can to support international institutions involved in the fight against poverty and in pursuing the Millennium Goals. However, it should be borne in mind that Italy is going through a phase of particular financial difficulty, which it has had to counter with strict measures to reduce the public budget deficit and curb the dynamics of debt.

IFAD's very special participatory structure represents a unique bridge between developed and developing nations, and thus the Fund plays a vital role among international institutions whose main mission is that of combating hunger and improving living conditions in developing countries. The Fund's main aim is to increase agricultural

production in order to guarantee sustainable development in the poorest rural areas through projects to improve infrastructure and services, spread the knowledge and use of advanced technology and promote innovation.

The Italian Government sees the work of the United Nations bodies we have the honour of hosting in Rome as being of fundamental importance, and believes that their human and technical resources should be optimized and boosted with a view to organizing a joint strategy which – while respecting their specific missions – would lead to closer cooperation should thus be set up at both the central and more outlying levels. We feel strongly that the most important message to be sent out to the international community is that of a strategy based on consistency and coordination among the programmes of IFAD, the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP), the efficiency of the three bodies' structures and an allocation of resources that takes account of rural areas where needs are most pressing.

It is now 60 years since the creation of the United Nations, the World Bank and the International Monetary Fund, institutions that have played the main role in promoting development of the world economy. In this connection, I would recall the address of the then president of the Italian Republic, Carlo Azeglio Ciampi, to the Governing Council in February 2003 on the occasion of IFAD's twenty-fifth anniversary. In his speech he expressed his great confidence in the United Nations system, but also the hope that the multilateral institutions would help to improve it with a view to meeting the Millennium Goals.

The report of the U.N. Secretary-General's High-level Panel – of which you, Madam Prime Minister, and you, Mr President, were members – speaks out authoritatively on the urgent need for a reform of the whole system of international cooperation in order to counter the growing economic and social inequalities brought about by poverty and environmental degradation. It is thus vital that the resources of international institutions be used in a coordinated, efficient fashion in order to avoid duplication and the overlapping of responsibilities, save on administrative costs and pursue the Millennium Goals. And these considerations are all the more compelling in the context of the process to reform the multilateral institutions for development funding.

Inasmuch as criticism of the effectiveness of aid, the relevance of programmes and the size of administrative budgets is sometimes justified, we feel that the importance of the Rome-based United Nations institutions' respective missions in combating poverty means that these bodies should be the ones to take the first steps in cooperation and restructuring, following the main guidelines of the High-level Panel.

Mr Chairman, the Italian Government has always supported IFAD with considerable financial resources in the form of both ordinary and voluntary contributions, as well as helping to meet the logistical costs of the institution in line with the Headquarters Agreement.

On the occasion of the most recent replenishment of resources, our ordinary contribution, EUR 41.5 million, was the second highest after that of the United States, while the total of our voluntary contributions since 1994, particularly for support to agricultural organizations in the poorest areas, rural finance and improved market access, has been the equivalent of US\$37.4 million.

The year that is starting will be an important one in IFAD's history: the organization will celebrate its thirtieth anniversary, the eighth replenishment of its resources will be launched, and its new offices will finally be available.

Italy will continue to support IFAD's activity, both by contributing to its finances and by promoting the large-scale structural reforms now under way with the aim of making the system of international agricultural institutions increasingly efficient.

I should like to end my comments by expressing my appreciation of the results achieved by the institution and by thanking President Båge, the directors and all the staff for the excellent work carried out and for their ongoing commitment to adapting IFAD's structures so that they can meet the challenges of the Millennium Goals.

**Statement by His Excellency Abdul Rahman bin Hamad al-Attiyah,
Secretary-General of the Cooperation Council for the Arab States of the Gulf**

Allow me to begin, Mr Chairman, by extending my sincere congratulations to you on the occasion of your chairmanship of this thirtieth session of the Governing Council.

Together with my best wishes for the success of these proceedings, I would like to assure you of the full cooperation of the Cooperation Council for the Arab States of the Gulf.

I fondly recall our modest contribution to the preparatory work that paved the way for the establishment in 1977 of IFAD, which plays a leading role in combating rural poverty and strengthening related international cooperation and solidarity.

I would also like to thank the Italian Government and people for embracing IFAD's objectives and headquarters and for their generous support of IFAD's activities, in particular the financial support mentioned by my Italian colleague just now.

Despite the rapid spread of technology, scientific advances and an appreciable increase in agricultural productivity, the gap between developed and developing countries continues to widen. Although IFAD's accomplishments over the past decades are impressive, there is a long road ahead, and greater effort and generous support will be needed if IFAD is to achieve its noble mission. I am confident that your sincere intentions and hard work on the challenges inherent in development programmes, particularly in the least developed countries, will lead to results commensurate with the hopes and aspirations of their people.

Soil fertility continues to decline in many parts of the world, affecting increasingly larger expanses of agricultural land each year and exacerbating the growing food deficit. Moreover, rural-urban migration is rising with the agricultural sector's difficulty in retaining manpower, reflecting its inability to provide critical basic services for farmers and rural populations and to generate income.

To fulfil IFAD's mission of combating rural poverty in developing countries, donor and beneficiary countries will need to work harder, within a framework of transparency, to create more job opportunities and tackle the high unemployment problem. This problem has led to displacement, a sense of marginalization, and even unrest in rural areas, posing a threat to social cohesion.

The Cooperation Council's member countries understand that it is difficult to eliminate poverty solely by achieving high levels of economic growth, although such growth is important. A series of integrated measures and policies are also needed. Accordingly, the Cooperation Council's member countries have directly implemented programmes and projects with other countries and through international donor organizations such as IFAD. Such programmes and projects strengthen the developing countries' capacity to create jobs, provide credit, build roads and supply electricity. They also develop production to increase market penetration and generally provide an economic climate that benefits the poor. Statistics produced by the OPEC Fund and the Arab Fund for Economic and Social Development indicate that the Cooperation Council's member countries have provided a generous amount of aid relative to total contributions to IFAD during the period 1977-2004.

Improving the situation of women is one of IFAD's major concerns, just as it is a top priority and concern of the Cooperation Council's member countries and their governments. In the Gulf region, women work alongside men in many development activities. The Cooperation Council's member countries have in recent years adopted measures and passed legislation in support of women's participation in professional, political, economic and social life. The voice of Gulf women today is thus more effective,

communicative and involved in the production process, public affairs and decisions affecting women's well-being.

Governments act to create an enabling environment for projects and initiatives that will generate jobs. However, they cannot do it alone. They need to combine their efforts with those of the private sector. In this way, private and national institutions – and even individuals – will join with official institutions to play a major role in achieving common goals that provide a decent life for everyone. Private firms, non-governmental programmes and individual initiatives in the Cooperation Council's member countries have been active in this regard. They have undertaken many diverse activities that have helped open windows of hope for hundreds of thousands of young people by providing them jobs to extricate them from poverty and unemployment, through handicraft training and grants and loans to develop and promote individual projects.

Regional crises wreak havoc and ruin peoples and societies. Should such crises continue, they will unquestionably pose a threat to development achievements in all areas, especially agriculture. The problem is exacerbated by the enormous rise in arms technology and its potential to catastrophically affect the environment, soil, plants, water resources and, of course, human beings.

In this connection, the ongoing, decades-long Israeli occupation of Arab territories, the seizure of Palestinian agricultural lands and bulldozing of other lands, and the uprooting of trees have changed the natural topography and natural rain and well water drainage. In addition, the wall has separated Palestinian families, obstructed their access to farmland and wells, and impeded ongoing human and agricultural development. On another issue, the war against Iraq and the military operations that continue to this day have caused grievous damage to the regional environmental system, accelerating soil erosion and increasing sand movements. The Israeli war against Lebanon last July damaged both the natural environment and agricultural infrastructure in Lebanon, preventing farmers from accessing and developing natural resources.

Hence, we attach the utmost importance to supporting efforts to achieve a just, comprehensive peace in our region. Such a peace will enable our countries to divert their enormous defence expenditures to development, particularly of agriculture. Agriculture will thus regain its role in combating poverty and malnutrition and advancing rural women throughout the Middle East.

I am confident that the proceedings of this session will yield positive results, and I wish to express the willingness of the Cooperation Council's Secretariat-General to work with you and to continue working with IFAD and all United Nations agencies on international issues in order to achieve justice and development all over the world. In this way we can provide a safe and dignified life for future generations pursuant to the United Nations Charter's lofty principles of global stability and peace for all women and men.

In conclusion, I would like to reiterate my appreciation to the President and staff of IFAD for their support to Cooperation Council member countries and developing countries, and reiterate my best wishes for the success of this important session.

**Statement by His Excellency Suleiman J. Al-Herbish, Director-General of the
OPEC Fund for International Development**

I would like to begin by thanking IFAD President, Mr. Båge, for inviting me once again, in my capacity as Director-General of the OPEC Fund for International Development (OFID), to address the inaugural plenary here at IFAD's Governing Council. It is an honour and a privilege to share the podium with such illustrious speakers as Her Excellency Prime Minister Diogo of Mozambique, a country with whom OFID enjoys long-standing cooperation, and His Excellency Mr Al-Attiyah, Secretary-General of the GCC. Both OFID and IFAD have much to be grateful for with regard to the GCC countries. I take this opportunity to acknowledge their generosity and support.

It is a particular pleasure to be here at IFAD, one of OFID's key partners and an organization with whom we share much more than just common ideals and goals. Our two institutions also have common roots, as many of you may know. OFID's founders, the Member States of OPEC, are the very same countries that were instrumental in the establishment of IFAD. Indeed the Member States of OPEC have always been vocal in their commitment to poverty eradication, which they described, and I quote, as "the overriding global priority" in the Declaration issued after their second summit in Caracas in 2000. In the same communiqué, they pledged to maintain their support to developing countries, both through their individual aid programmes and through OFID and IFAD. These shared beginnings – OFID in 1976 and IFAD in 1977 – have underpinned a unique relationship that, today, goes far beyond mere financial cooperation.

The theme of this Council meeting is rural employment and livelihoods, a topic that will no doubt be covered in depth at the various round-table discussions. What I would like to focus on in this speech are some of the key challenges that we currently face in relation to rural development. First, though, a few words on OFID and its position vis-à-vis the rural sector.

Like IFAD and other institutions involved in development cooperation, OFID's overarching objective is the alleviation of poverty. It is an objective to be achieved, we believe, not through a simple redistribution of income, but as a result of genuine growth. Poverty, as we all know, is predominantly a rural phenomenon. Rural development, therefore, with its potential to generate employment and raise living standards, should be a key priority in the development plans of poor countries and in the strategies of donor organizations.

OFID's mandate requires it to tackle need where it is most severely felt. It should thus come as no surprise that the bulk of OFID's development assistance – which cumulatively exceeds US\$8.6 billion – has gone to rural areas. In addition to direct support to agriculture, we have invested heavily in rural infrastructure and in projects that promote private enterprise development both on- and off-farm. OFID financing has been given as soft loans, as outright grants and also through our private sector window. Hand-in-hand with the financial resources we provide is our support to the formulation of policy frameworks that complement and strengthen our efforts to promote sustainable development.

In recent years, as a result of the international community's commitment to the Millennium Development Goals, the focus on rural development has gained even greater recognition. The link between rural poverty and attainment of the MDGs is self-evident. Already, we are seeing progress towards the poverty and hunger goals in regions where investment in agriculture has increased. Where such investment has lagged behind, so too has progress. It has become clear that if the primary MDG of halving the proportion of people living in poverty by 2015 is to be met, our continued focus on addressing the needs of the rural poor is an absolute necessity. It would certainly help our cause if the

G-7 nations accorded as much importance to the MDGs on their agenda as they do to issues like global warming, energy security and debt relief.

The developing countries face numerous challenges in relation to rural development. Three in particular are worthy of attention. First, how to increase the effectiveness of aid delivery to the rural sector. Second, how to ensure that the rural poor are not further disenfranchised by the forces of liberalization and globalization. And last, how to adapt farming practices to overcome the obstacles presented by environmental influences.

The first topic refers, of course, to the issue of sustainability. To be effective, aid must have an impact that is enduring. So, while investment in infrastructure improvement is vital, equally important is the capacity-strengthening and institution-building that will guarantee not just the longevity of the infrastructure, but its efficient management as well.

For example, when we invest in rural roads or electrification, or in irrigation schemes, we must ensure that the relevant authorities have the knowledge, training and institutional capacity to operate, maintain and manage the new investments well into the future. This is development that is truly sustainable. It is also an approach that makes optimal use of resources, which as we all know, are nowhere near adequate enough for the task in hand.

The second issue I wish to highlight – that of liberalization and globalization – is somewhat more complex. While it is generally agreed that, on the whole, these two phenomena present exciting opportunities for developing countries, there are genuine concerns that there could be serious consequences for rural populations.

Indeed, this very concern was raised recently in a conversation I had with President Al-Bashir of the Sudan, who warned that the market forces unleashed by liberalization and globalization have the potential to marginalize rural areas still further. While the rich get richer, he said, the poor get poorer, and the economic gap between urban and rural populations grows ever wider.

As partners in the development process, governments and aid institutions alike have to remain wary of the less desirable outcomes of market-led growth. We have a responsibility to ensure that any deepening disparities caused by market-oriented development be corrected by pro-poor development policies, such as greater investment in social services and public infrastructure, especially in rural areas. This has to be our overriding concern.

A third – and perhaps the toughest – challenge standing in the way of rural development relates to the environment. Climate change has made a hard life even harder for the rural poor. Floods, drought, desertification and soil degradation all have a direct impact on agricultural productivity and, consequently on the living standards of farming communities in developing regions worldwide. For these people, the agricultural way of life – the only life they know – has to be preserved, and this means finding ways, not only to combat climate change, but to adapt to it as well.

A large part of this burden falls on the researchers and scientists, whose work revolves around developing hardier varieties of seeds and livestock, together with innovative farming methods that respond specifically to the needs of the rural poor.

Intensified support is thus imperative to organizations such as the Consultative Group on International Agricultural Research (CGIAR), the Arab Organization for Agricultural Development and International Center for Biosaline Agriculture, to name just a few. I had the honour of meeting earlier this week with Dr Mahmoud Solh, the Director-General of the International Centre for Agricultural Research in the Dry Areas, one of the CGIAR's

most active members, and was pleased to discuss with him ways and means of strengthening our cooperation. Support is equally important to the activities of the Global Mechanism of the United Nations Convention to Combat Desertification. All of these bodies are doing sterling work and OFID, for one, is fully committed to furthering their efforts.

We are all here today because of our commitment to rural development. And we remain committed despite the enormous challenges. These are challenges that the rural poor cannot tackle alone. As responsible global citizens, they are our challenges too. So, if we are to succeed in stemming the flow of people from the countryside to the cities and halting the erosion of rural economies, we need to focus on empowerment; on providing the tools and creating the environment that will allow the rural poor not only to maintain their way of life, but to prosper. The foundations for this lie in participation, cooperation and partnership.

On the subject of partnership, I would like, before closing, to say a few more words about OFID's cooperation with IFAD. Over a period of 30 years, we have pooled experience, knowledge and resources. We have implemented over 60 projects together, and there are many more in the pipeline. While this relationship has always been strong, in the past 12 months it has been moving towards new horizons. As well as increased dialogue, both at policy and technical levels, our cofinancing activities have grown substantially, not only in terms of the number of joint operations, but also in terms of OFID's share in each financing package.

I should point out, however, that OFID's resources are limited and that we can only work within our means. It is our singular objective to use these resources as wisely as possible, and this aim forms the basis of our Seventeenth Lending Programme, which is currently being formulated. The programme launches on 1 January 2008, and will seek to expand both the quantity and quality of OFID aid.

Finally, I would like to take this opportunity to highlight my personal appreciation of Mr Båge, IFAD President, for the genuine interest he has shown in OFID and its work. We were particularly grateful last year, for his active participation in the High-Level Round-table on Partnership for Arab Development which was organized and hosted by OFID at its headquarters in Vienna.

We welcome this strengthening of ties between our two institutions and look forward to many more years of fruitful collaboration.

**Message from the Secretary-General of the United Nations,
Mr Ban Ki-moon, delivered on his behalf by
the Chairperson of the Governing Council, Mr James Harvey**

I am delighted to send, for the first time since taking office as Secretary-General, my best wishes to the Governing Council of the International Fund for Agricultural Development.

I know you are as eager as I am to see better progress towards the Millennium Development Goals. Considerable advances have been made since the goals were articulated seven years ago, for example on official development assistance and debt relief. But progress has been uneven. Many countries are not on track to meet many of the goals. And the obstacles ahead are formidable: the global economy remains an uneven playing field, and the international system is flawed and unfair in crucial areas such as trade, finance, technology transfer and migration.

If we are to achieve the goals by the agreed target date of 2015, we have to see concerted action in 2007. At the same time, we need to do much more to mitigate and adapt to climate change, to which all nations are vulnerable but which will inflict its greatest damage on the poor. And we will need to strengthen the capacity of countries everywhere to confront HIV/AIDS, avian influenza and other huge challenges in health.

If the United Nations system is to do its part in this work, we must keep up the momentum for reform, and continue building a United Nations system that is coherent, effective and efficient. Late last year, the High-level Panel on System-wide Coherence made an important contribution to our efforts to "deliver as one", and I expect to report further on this matter in the coming months.

IFAD has an important role to play. It is a unique and imaginative partnership between OPEC, OECD and developing countries. IFAD-supported projects not only contribute directly to reducing poverty in rural areas – where three quarters of the world's poorest people live – but also generate lessons for all involved in the global effort to end poverty and hunger. Your deliberations in Rome can give new impetus to this vital work, and it is in a spirit of real partnership that I offer you my best wishes for a productive session.

**Statement by the President of IFAD, Mr Lennart Båge,
to the thirtieth session of the Governing Council**

Last year we made a commitment. To increase the programme of work by 10 per cent and to strengthen the performance of our programmes and projects.

Today, I can give you the results. The programme of work in 2006 reached a record US\$556 million. Slightly higher than the targeted 10 per cent increase. As the 2006 Annual Report on Results and Impact (ARRI) prepared by the Independent Office of Evaluation shows, overall performance has risen significantly, from 71 per cent to 79 per cent.

This gives us inspiration to carry on our work to implement the IFAD Action Plan for Development Effectiveness. We are strengthening IFAD, to make it ready to meet the challenges ahead of us. We are determined to put agriculture and rural development back on the international agenda.

The reason is as simple as it is serious. The international community ought to spend more time and effort promoting development and fighting poverty where it is most needed. In 2015, as it looks today, it is the poor women and men in remote rural areas that we will have failed the most.

IFAD has, since its inception, supported hundreds of millions of poor rural people. But we could do more. The development impact of IFAD's projects and programmes could and should be stronger. To achieve this we have accelerated our reform process.

Let me give you the main outline:

We are increasing effectiveness. We have specified our mandate, clarified our strategies, and defined measurable goals. IFAD's role is to be where the rural poor are. Our projects and programmes should enable poor rural people to increase their agricultural production. They should be better designed. The focus should be on means and assets that empower – that will make people self-reliant. IFAD is not a humanitarian agency. Our work should always be long-term, aiming at the most vulnerable and poor. All this is made explicit in our new strategic framework.

We are strengthening innovation. IFAD is a financier and innovator. The close collaboration with local communities – scouting for innovations – is a hallmark. It makes IFAD suitable for exploring new technologies and new approaches. Examples include women's self-help groups, linked to commercial banks in India. Community-based management of small-scale irrigation and marginal rangelands in sub-Saharan Africa. Market-based sustainable extension systems in Latin America. Support for the usufruct rights of indigenous peoples over land and forest. A new strategy for innovation will be brought to the Board in September.

But we must be better at replicating and scaling up the lessons learned. Innovation will be closer linked to learning – and sharing. This is a central part of our new results-based country strategies, and it is made clear in our knowledge management strategy.

We are working closer together with others. IFAD is a unique partnership between OECD, OPEC and other developing countries. Our key partners are national stakeholders - from farmers' organizations to governments. But they also include the OPEC Fund for International Development (OFID), the World Bank, IDB on remittances and IFPRI on strategic policy issues. In a new initiative with President Kaberuka of the African Development Bank, we are looking at new ways to work together starting with a joint evaluation of our programmes in Africa. I see great scope for combining the African Development Bank's support for infrastructure development with IFAD's experience in community-based poverty programmes to the benefit of millions of poor Africans.

We are implementing our new policies on targeting and supervision. Targets and indicators are defined so that successes as well as setbacks can be recorded, analysed and become a central part of a learning process. Accountability is key.

We are also committed to better alignment of our human and financial resources with our priorities, and a new approach to managing for development results with the aim to put us in the forefront of best practice.

We are increasing our work programme by 10 per cent per year. For the Seventh Replenishment period 2007-2009, we are planning a programme of work of US\$2 billion for about 100 programmes and projects – with a total investment cost of about US\$4 billion. With this we will reach approximately an additional 50 million poor people. Statistics for agriculture are imprecise, but take Africa as an example; our financing for agriculture is roughly the same size as that of the African Development Bank, and half the size of the World Bank.

The Millennium Development Goals gave the world unprecedented direction in its development efforts. The Financing for Development Conference held in Monterrey in 2002 gave new impetus to increasing aid flows and deeper debt relief. Several countries set timetables to join the few countries from the Arab world and Europe that have already reached the 0.7 per cent target.

With the development goals and the funding goals established, the international community turned to delivery. How to harness development resources in the most coherent and effective way possible behind the country's own efforts to eliminate poverty? The Paris Declaration on Aid Effectiveness calls on us to commit to the delivery of more effective aid based on the principles of country ownership, alignment, harmonization, managing for results, and mutual accountability. The reform of the UN development system is an essential part of this effort. I was proud to serve, under Prime Minister Diogo's leadership, on the Secretary General's High-level Panel on System-wide Coherence. Our report makes far-reaching recommendations to ensure that the UN really does – and I quote – “deliver as one, in true partnership and serving the needs of all countries”.

As a non-resident agency, IFAD will have to make a special effort to ensure that we are fully integrated into the collective UN effort at the country level. The evaluation of the Field Presence Pilot Programme later this year will provide us guidance on how to enhance our country-level engagement. The aim is not to have flags and offices and cars, but to add real value to the UN's collective effort on the ground, particularly through working with local institutions. Together with FAO and WFP, we are also exploring expanded and deepened collaboration in Rome.

The Millennium Summit was nearly seven years ago. We are mid-way to 2015. I should be saying to you that we are on track. That half of those who are suffering from poverty and hunger will have better lives in 2015. And I should be talking today about how we plan to reach the other half. And about how IFAD can help the global effort not only to halve but to eliminate absolute poverty altogether.

But I cannot. Globally, we are on track – to halve income poverty. But in many regions of the world, we are not.

Geographically, most of the rural poor are in Asia but the slowest progress is in Africa. Common to both, and to other regions such as Latin America, poverty is mainly rural. Of the 1.1 billion people in the world living in absolute poverty, 800 million – that is three quarters of them – live in rural areas. Some are moving to towns to find a better life or – as is all too often the case – to remain poor when they get there. But it is in the rural areas that most poor people live and will continue to live for the foreseeable future. If we are serious about tackling poverty, it is in the rural areas that we have to tackle it.

This should be self-evident. Can you imagine a world of flourishing towns alongside a rural world that is either depopulated or that is impoverished?

The challenges that poor people in rural areas face are daunting. Travel to the hinterlands of Peru, Ghana or India or to any other of the many countries IFAD works in. These are the areas far from tourist trails or even the normal donor highways. The rural

poor are the landless, small farmers, nomadic pastoralists, herders and artisanal fishermen. They are ethnic minorities or indigenous people. Above all, they are women, who now constitute the majority of the poor.

These are people with hope and dignity, with dreams and aspirations, living in rich cultures, just seeking an opportunity for a better life.

These are IFAD's target groups. They make up a large part of the 800 million rural poor. These poor, often forgotten, want to see their lives as a priority on the development agenda.

Severe vulnerability is a permanent condition facing the poor - to uncertain weather conditions, disease, pests or strife. For IFAD, overcoming the vulnerability of poor farmers and herders has long been a key issue. Climate change is profoundly aggravating this vulnerability. We have already seen the effect in hotter summers and more extreme droughts and floods that threaten the livelihoods - and even the lives - of the poor. Addressing their growing vulnerability must be a major concern for all of us.

In sub-Saharan Africa, the challenges are especially stark. Agriculture accounts for 30 per cent of GDP, 40 per cent of exports and as much as 70 per cent of employment. Investments have been grossly inadequate in land and water management, small-scale irrigation, research, technology, extension, market access or provision of fertilizer and pest control. Africa suffers from declining soil fertility and uncertain water availability and, in many places, HIV/AIDS is taking a heavy toll. Even when farmers succeed in raising production, as I saw myself with cassava farmers in Ghana last year, lack of market linkages often means there is a local glut and prices collapse.

Investing in agriculture has a tremendous pay-off. Agriculture has the power to transform economies. We have seen it in Asia. We know it from Europe a century ago. Agricultural revolutions have been the precursors of the industrial revolutions. There is a wealth of evidence to show that investments in agriculture can be just about the most effective investments you can make if you want to drive broader growth and to make a direct and immediate impact on poverty. Studies show that investments in agriculture are two and a half times more effective in raising people out of poverty than investments in any other sector.

Yet the world is seriously under-investing in agriculture - aid for agriculture from all donors actually fell between 1995 and 2002. There are some signs of reversal - the Declaration made in 2003 by African leaders in Maputo promising to invest 10 per cent of their countries' budgets in agriculture is one example. And many donors have strategies that talk about the importance of agriculture. Kofi Annan has repeatedly called for an African Green Revolution. The Gates Foundation is giving priority to agriculture. And this year the World Bank's World Development Report will, for the first time in 25 years, have agriculture as its theme.

Comparisons are difficult to make as definitions are not always the same, but in rough terms, the World Bank spends about 12 per cent of its resources on agriculture, the African Development Bank around 7 per cent, the Asian Development Bank 5 per cent, the Arab Funds about 4 per cent and IDB 1 per cent. Why not more? Well, there are good reasons. Each institution has its own priorities and strengths and responds to national demands. But when you add up all these good reasons, the result is that collectively we are under-investing in agriculture.

IFAD programmes are making a real difference in the lives of people. Last year I visited Ghana together with Jacques Diouf and Jim Morris. We met Alimatou Mahama, who lives north of Tamale in Northern Ghana. She is a strong woman, proud and full of confidence. She has used training, veterinary services and microcredits from an IFAD project to raise goats, an opportunity that women were previously denied. She still lives in a mud hut village, but is now able to send her children to school, to eat better, and to have her own income in a society where women used to have no voice and no influence. Last year she had saved enough money to perform her hajj. So where is the IFAD project? It closed

several years ago. But the difference it has made to Alimatou's life and that of her children lives on.

Twenty-seven years ago my predecessor, President Al-Sudeary, decided to invest US\$3.4 million in a small but very exciting institution providing microfinance services to very poor women in Bangladesh. I pay tribute to his foresight and am very proud that IFAD played some part – small though it was – in the tremendous success of that institution. The institution I am talking about is, of course, the Grameen Bank. I was absolutely delighted that Muhammad Yunus was awarded the Nobel Peace Prize last year; there could not have been a more worthy winner.

Since then, we have supported microfinance projects throughout the developing world, currently providing about US\$200 million a year. Many other institutions have joined this effort. Microcredits can bring macro results. Today over a hundred million poor families benefit from the global microfinance movement.

IFAD's work will be effective only if it fits into a wider context. The UN reform agenda is long overdue and, if we can keep up the momentum, I am convinced it will bring enormous benefits, especially to developing countries. The "One UN" will be far better able to serve the countries in which we work, and IFAD will play its part. Eight countries have already been selected as pilots for the One UN and IFAD is committed to participate fully.

Finally, let me say a word about my staff. Over the past year I have completely renewed my senior management team. Kanayo Nwanze, our new Vice-President, has a distinguished record in agricultural research and management at senior level. Kevin Cleaver has long been known as a pillar in agricultural development, both in its theory and its practice. Matthew Wyatt has hands-on experience in a bilateral agency and is a seasoned diplomat. Jessie Mabutas has held many high-level positions in finance, human resources and IT management. We also have a new Secretary of IFAD; Paolo Ciocca has come to us from the highest levels of the Italian administration. And I hope very shortly to announce the appointment of our new General Counsel. Even before the Secretary General's High-level Panel called for transparent, merit-based recruitment throughout the UN system I was determined to implement it here in IFAD. The recruitment process has been fair and transparent and has involved the best external judgement, and I believe represents an example of best modern practice. This is my senior management team that will be leading the process of change. They will empower all staff to be involved, to contribute ideas, to bring forward their initiatives and to contribute both to the building of a transformed organization and to stronger development impact.

But it is, of course, IFAD's current staff who have made possible the progress we have made over the past year. I would like therefore to conclude by paying tribute to them. Their dedication, together with your support in the form of guidance, advice and resources, will help to ensure that IFAD continues to be a vibrant and innovative organization.

Next year we will launch the negotiations on the Eighth Replenishment. This replenishment will set our course in the run-up to 2015, a decisive factor in IFAD's contribution to achieving the MDGs on time.

Next year will also see the 30th anniversary of IFAD's establishment. This will be a moment to look at the wealth of IFAD's experience in supporting rural poverty programmes over three decades and assess the lessons for the future. We hope to make the Governing Council session next year a high-level conference on rural poverty, ways of achieving the MDGs and IFAD's role in this endeavour. This discussion would, I believe, strengthen the basis for the Eighth Replenishment negotiations.

My vision is that IFAD will be known for the quality of its work with poor farmers; for its ability to develop innovative approaches to enhance productivity and livelihoods, and pass them to others to replicate and scale up; for its value as a partner: of governments, civil society, farmers' associations, the development community and the UN family; and,

above all, for the sustained contribution it makes to reducing rural poverty across the developing world.

**Message from the Executive Director of the World Food Programme,
Mr James T. Morris delivered on his behalf by Ms Sheila Sisulu, Deputy
Executive Director and Officer-in-Charge**

It is an honour to address the Governing Council of the International Fund for Agricultural Development (IFAD) on behalf of WFP's Executive Director, Jim Morris, who regrets not being here in person.

First of all, let me express WFP's gratitude for IFAD's good work and proactive partnership.

As you know, recent evidence indicates slow progress towards meeting the first Millennium Development Goal (MDG), which aims to eradicate extreme poverty and hunger. Rates of extreme poverty are declining in many parts of the world. However, while the proportion of undernourished people worldwide is declining slightly, the number of hungry people continues to rise at a rate of around 4 million people per year.

Even though the causes and consequences of hunger and poverty are complex, one thing emerges clearly from monitoring progress towards the MDGs: that addressing poverty alone cannot conquer hunger. Overcoming poverty and hunger requires integrated strategies, policies, and investments that pay special attention to the reasons why people remain undernourished.

One of the reasons that people remain highly vulnerable to food and nutrition insecurity is their inability to obtain financial capital. In many cases a small injection of cash enables poor and hungry rural people to invest in their livelihoods, and may make the difference between a life lived hand-to-mouth and a dignified and productive existence. At the same time, just as we all know the adage that it is better to teach a man to fish, we also know that he still needs to eat while he is learning.

WFP works in partnership with IFAD and national governments to provide financial services aimed at rural development and poverty reduction. WFP's food-for-work and food-for-training projects enable people to participate in IFAD's schemes for microcredit, income-generation and savings.

In 2006, WFP and IFAD cooperated in nine countries, mainly in the fields of agricultural development and environmental protection. Assessments, project design, capacity-building and education were also important features of our cooperation.

Let me illustrate some of our cooperation and successes:

Since 2001, WFP and IFAD in **India** have addressed poverty eradication and food security. WFP hosts IFAD's field presence unit in India, ensuring close and constant collaboration. The benefits include improved project design, cost-efficiency and joint advocacy. Combining the agencies' food and cash resources has developed sustainable livelihoods for 600,000 of the most food-insecure tribal people.

In **Mali**, a Letter of Understanding for rural development through asset creation has been signed by WFP, IFAD and the Government. In the **United Republic of Tanzania**, WFP has partnered with IFAD since 1999, supporting the Government's Participatory Irrigation Development Programme. WFP's food-for-asset-creation activities have improved 328 kilometres of roads and excavated 461 kilometres of canals. WFP, IFAD and Government interventions have created 36 irrigation schemes for paddy fields.

Furthermore, WFP, the Food and Agriculture Organization of the United Nations, IFAD and the United Nations Centre for Human Settlements collaborated during the International Forum on the Eradication of Poverty held in New York in November 2006 to mark the end of the first United Nations Decade for the Eradication of Poverty. The agencies co-sponsored a panel and produced a joint paper on "Reducing Hunger and Extreme Poverty: Towards a Coherent Strategy", highlighting the need for a twin-track

approach to hunger and poverty reduction in which immediate food and nutrition needs are addressed, as well as long-term agricultural development.

WFP is committed to further strengthening cooperation among the United Nations agencies, and among the Rome-based agencies in particular, to increase our collective effectiveness to reduce hunger and food insecurity. We must deepen our understanding of the integrated nature of poverty and hunger. Closer coordination among FAO, IFAD and WFP is recommended in the Report of the Secretary-General's High-Level Panel on UN System-wide Coherence in the Area of Development, Humanitarian Assistance, and the Environment. The report specifically recommends that "To build long-term food security and break the cycle of recurring famines, especially in sub-Saharan Africa, WFP, FAO and IFAD should review their respective approaches and enhance inter-agency coordination. Complementary strategies should be further developed to strengthen local capacity and resilience to mitigate and cope with the consequences of famines."

WFP welcomes this report and is already working with United Nations partners to implement many of the recommendations. We appreciate your support in this opportunity to improve the quality of the service all three agencies provide to poor and hungry people worldwide.

We must always remember the goals and priorities of governments in their fight against poverty and hunger, and ask how we, the Rome-based agencies, can assist them and their citizens to achieve a better life.

Message from the Director-General of the Food and Agriculture Organization of the United Nations, Dr Jacques Diouf, delivered on his behalf by Mr Tesfai Teclé, Assistant Director-General

It is an honour for me to be with you this morning, and I wish to convey the FAO Director-General's greetings to the IFAD Governing Council.

I am pleased to note that the theme selected by IFAD for its deliberations during this Council, "Rural Employment and Livelihoods", complements very well the theme chosen by FAO for its 2006 World Food Day, "Investing in Agriculture for Food Security – The Whole World Will Profit". The seed planted by a farmer can lead to flourishing agribusinesses that pay taxes and help build and maintain rural schools and roads. Agricultural development is about livelihoods and is the first step in long-term sustainable economic growth. Everyone gains from investment in agriculture.

The imperative of increasing investment in agriculture is especially great in Africa where governments have declared their commitment to investing their own resources through the "Maputo Declaration" of 2003. Increasing the volume of public investment in agriculture must be matched by making such assistance more effective and leveraging private-sector investment. Governments must create stable socio-political conditions, establish legal frameworks for access to land and water, enforce grades and standards, foster a better climate for private investment and provide essential rural infrastructure. In this environment, commercial farmers, traders, input suppliers, agroprocessors and transnational agribusinesses can contribute to a global system of investment that can assist rural people in reaping profits from agricultural production, marketing and trade. But, let us not forget that small farmers themselves are the largest investors in agriculture.

It gives me great pleasure to see that collaboration between the three Rome-based food agencies is broad, effective and increasing. The recommendation of the High-level Panel on United Nations System-wide Coherence states that "to build long-term food security and break the cycle of recurring famines, especially in sub-Saharan Africa, the World Food Programme, the Food and Agriculture Organization of the United Nations and the International Fund for Agricultural Development should review their respective approaches and enhance inter-agency coordination." A strong partnership between WFP, IFAD and FAO will help to strengthen Rome as a food and agriculture hub, which should also include Bioversity International. This partnership is demanded by governments and makes good business sense. By working together, we can make more effective and efficient use of our scarce resources.

Let me mention a few recent examples of our many joint activities. The heads of the three Rome-based agencies visited northern Ghana together to demonstrate their determination to join efforts to reduce hunger and poverty. There, they shared the vision of building a food-secure country through a twin-track approach. This would provide, in the short term, assistance to hungry households to meet their education, health and nutrition needs, and build medium- and long-term sustainable livelihoods through investment in agricultural and rural development. Also, the three agencies, together with Bioversity International, jointly met with the Agricultural Management Team of the Bill and Melinda Gates Foundation in October 2006, and together are helping to implement the International Alliance Against Hunger. The three agencies will also be co-hosting, at the end of this month, the thirty-fourth annual session of the United Nations System Standing Committee on Nutrition to be held at FAO on the theme "Working Together".

Cooperation between IFAD and the FAO Investment Centre recorded a marked increase in 2006, with FAO providing IFAD with a wide range of technical support services to promote investment in agriculture and rural development in member countries. There

was about a 20 percent increase in fielded activities led by the Centre, and nine projects were approved for funding by IFAD for investments totalling about US\$280 million. In 2006, the Governing Council authorized IFAD to supervise its lending operations, which provides an opportunity for greater cooperation with the FAO Investment Centre and technical divisions.

FAO's technical divisions are also collaborating with IFAD in a number of activities in the field. Recent examples include: desert locust and trypanosomiasis control; capacity-building in rural finance; agrarian reform and livelihood support; water use efficiency and conservation; and new work together on development of policy coherence on child labour in agriculture. The two agencies are also working together on the Global Donor Platform for Rural Development and the recently launched TerrAfrica platform. In view of the successful outcome of the locust campaign, FAO is also interested in developing collaboration with IFAD on avian influenza control and the rehabilitation of earthquake-affected areas of northern Pakistan.

Finally, over the last three years, FAO has been associated with the IFAD Field Presence Pilot Programme. In Mozambique and the United Republic of Tanzania, FAO has hosted an IFAD liaison officer. The external evaluation for this pilot programme is ongoing. FAO would like to see this field presence pilot model refined and expanded to more countries. There is considerable scope for enhancing our partnership, both in Rome and at country level, which would respond to the demands for "delivering as one" under the "One United Nations" programme.

I could add much more, but I will finish with these few examples. Let me close by reiterating that the commitment of FAO, IFAD, WFP, and Bioversity International to link our comparative advantages into an effective partnership against hunger and poverty is genuine and strong – and we are continually in search of ways to make it even better.

**Statement by the Chairperson, Mr James Harvey,
closing the thirtieth session of the Governing Council**

Mr President,
Distinguished Governors and Delegates,
Ladies and Gentlemen,

The time has come to draw the thirtieth session of the Governing Council to a close. This session will remain in our memories thanks to the presence of many distinguished guests and the opportunity it provided for the Governors of the Fund to interact, to see what IFAD has done over the past year and what it intends to do in the future.

The inaugural address by Her Excellency Luísa Dias Diogo, Prime Minister of the Republic of Mozambique, set the tone for the deliberations of the Council. The appreciation she expressed for IFAD's activities in Mozambique was encouraging. Through projects and programmes which promote rural financial services, market linkages, infrastructure development, artisanal fisheries, and agricultural and food security and through its active participation in policy dialogue, IFAD has contributed significantly to improving the lives of the rural poor in Mozambique. Providing concrete examples of results achieved in her own country, the Prime Minister's statement underlined the potential of the integrated and harmonized approach called for in the report of the High-level Panel on United Nations System-wide Coherence. Country ownership and commitment supported by complementary stakeholder interventions is the most effective way forward if we are to achieve the Millennium Development Goals.

These Goals were also central to the statement delivered by His Excellency Tommaso Padoa Schioppa, Minister for Economy and Finance of the Italian Republic. He echoed the words of the Prime Minister of Mozambique in calling for coordinated and effective international cooperation and increased efforts in implementing the ongoing United Nations reform agenda. Representing the host country of the three Rome-based food and agriculture agencies of the United Nations, he urged for every effort to be made to further enhance the existing collaboration between FAO, WFP and IFAD. Italy has long played an active role in development and recognizes the fundamental role of IFAD in the fight against hunger and poverty. In this context, IFAD has consistently benefited from the generous support of its host country – support which was reconfirmed by Minister Padoa Schioppa's confirmation of Italy's contribution to the Seventh Replenishment of EUR 41.5 million.

The common thread running through these statements was clear – a collective effort and true partnership is fundamental to the success of any endeavour.

And partnership was the principal theme of the message that His Excellency Abdul Rahman H. al-Attiyah, Secretary-General of the Cooperation Council for the Arab States of the Gulf, shared with the Council. He called on us, individually and together, to accept our responsibilities and to strive to live up to the commitments we have made to improve the lives of the poor.

Representing one of IFAD's strongest partners in rural development, His Excellency Suleiman J. al-Herbish, Director-General of the OPEC Fund for International Development, recalled that poverty is predominantly a rural phenomenon. As such, he highlighted the undeniable link between rural poverty and the attainment of the MDGs. Once again, with examples of successful joint initiatives undertaken with IFAD, the importance of partnership and collaboration was stressed.

The Council welcomed the message from His Excellency Ban Ki-moon, Secretary-General of the United Nations. His statement reiterated the importance of rural and agricultural development, which is so important for the achievement of the Millennium Development Goals. He stressed his commitment to uphold the momentum for UN reform so as to continue building a UN system that is coherent, effective and efficient. He highlighted that IFAD's contribution, through its projects and programmes, and through the sharing of knowledge and lessons learned, is central to the global effort to end poverty and hunger.

President Båge's statement to the Council this year was eloquent and forceful, underlining the tangible results achieved by the Fund over the past year. Overall performance has risen significantly, and a 10 per cent increase in the programme of work was achieved reaching millions more rural poor people. Having served on the High-level Panel on System-wide Coherence, President Båge stressed his commitment for the United Nations to "deliver as one, in true partnership and serving the needs of all countries".

We were introduced to the new senior management team, who will assist President Båge in reaching this objective, and I am sure I speak on behalf of all those present in wishing the President and his team every success.

IFAD's commitment is shared by its sister agencies in Rome, and the Council welcomed the examples of partnership in action, in the messages from Dr Jacques Diouf, Director-General of the Food and Agriculture Organization of the United Nations, and Mr James Morris, Executive Director of the World Food Programme.

The statements delivered by the Fund's Governors, covering various realities and geographic regions, emphasized their support for the important work being carried out by our Fund. They also reminded us of the huge global challenges faced by the development community at large, such as getting further progress on trade reform and tackling climate change. "Enabling the rural poor to overcome poverty" is not just IFAD's mission, it is our collective mission, as the Governors of many Member States of the Fund stressed.

The Council considered the report on the Seventh Replenishment of IFAD's Resources. At our last session, the Council received the good news of the rapid conclusion of the negotiations for the Seventh Replenishment and this session received further good news – that of the replenishment's effectiveness. This is a tangible and welcome demonstration of the importance IFAD's Member States ascribe to the Fund's mandate and to providing it with the resources necessary to continue its work. Pledges now total US\$616 million, or 86 per cent of the target of US\$720 million, and instruments of contribution received represent 58 per cent of the total pledges. Member States that have yet to announce their pledges, deposit their instruments of contribution or make their payments are urged to take the necessary action.

At the recommendation of the Executive Board, the Council approved IFAD's audited financial statements for 2005 and the administrative budget of IFAD for 2007 in the amount of US\$67.49 million. The records of this session will note the abstention of the United States of America on the Fund's administrative budget. The Council also approved an administrative budget for the Office of Evaluation of US\$5.687 million.

At last year's session of the Council, the composition of List B countries elected to the Executive Board was elected for a one-year term. Governors were informed of the List's intention to confirm this composition for the second and third years of the term of office of the Board and the four members and four alternate members were duly appointed. I take this opportunity once again to congratulate the List B membership of the Board and to wish them, and indeed the Board as a whole, every success in their work.

The Council was provided with a report on the implementation of the performance-based allocation system and noted the revisions made to the PBAS methodology which had been applied to the calculation of the 2006 country scores and the resulting allocations. Governors welcomed the news that IFAD would host the annual technical meeting in 2008 of those agencies implementing PBAS approaches. This meeting should provide a forum for the sharing of experiences and lessons learned, in the true spirit of harmonization.

The International Land Coalition provided a progress report on its efforts to promote a pro-poor land agenda aimed at ensuring that the rural poor have access to the assets necessary to overcome poverty on a sustainable basis. The Global Mechanism of the United Nations Convention to Combat Desertification also reported to the Council on its operational activities in 2006, the International Year of Deserts and Desertification, outlining its evolving role as an institution which provides specialized advisory services on development, agriculture and the rehabilitation of natural resources. As such, the Global Mechanism becomes more and more a natural partner of IFAD.

Distinguished delegates,

Before closing this session, I would like to say a word of thanks - to all my fellow Governors - for the support you have afforded myself and my colleagues on the Bureau, the Governors for Qatar and Bangladesh, in conducting this session of the Council. I would be remiss if I were not to express appreciation also to the President of IFAD, for his effective management of the Fund. And, last, but by no means least, thank you to the staff of IFAD. The success of this Council would not have been possible without the tireless work of those behind the scenes - the interpreters, technical staff and conference messengers, to name but a few. The example they set of the power of teamwork, collaboration and harmonization is commendable.

On this note, I hereby close the thirtieth session of the Governing Council.

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Enabling the rural poor
to overcome poverty

قائمة المشاركين في الدورة الثلاثين لمجلس المحافظين

List of participants at the thirtieth session of the Governing Council

Liste des participants à la trentième session du Conseil des gouverneurs

Lista de los participantes en el 30° período de sesiones del Consejo de Gobernadores

:

Chairperson: James Harvey
Président: (المملكة المتحدة)
Presidente:

:

Vice-Chairpersons: Abdul Rahman bin Khalifa al-Thani
 عبد الرحمن بن خليفة آل ثاني
Vice-présidents: (قطر)
Vicepresidentes: Fazlul Karim
 (بنغلاديش)

Governing Council — Thirtieth Session
Rome, 14-15 February 2007

الدول الأعضاء

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 Alternate Permanent Representative
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 General Department of
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 Ministry of Agriculture, Food
 and Consumer Protection
 Tirana

Adviser

Vera CARA
 Second Secretary
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 and Agriculture Agencies
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Adviser

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ALGERIAGouverneur
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Abdesslam CHELGHOUM
 Secrétaire général
 Ministère de l'agriculture et
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Conseiller

Brahim NADJI
 Directeur d'Études
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Conseiller	Mohamed IDRIS Sous-directeur Division des Organisations internationales Ministère des affaires étrangères et de la coopération internationale Djibouti

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EL SALVADOR

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FRANCE

Gouverneur

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 Chef du Service des affaires multilatérales
 et du développement
 Direction générale du trésor et de
 la politique économique
 Ministère de l'économie,
 des finances et de l'industrie
 Paris

Gouverneur suppléant
(provisoire)

Charles MILLON
 Ambassadeur de la République
 française auprès de l'OAA
 Rome

Conseiller

Vincent PERRIN
 Chef du Bureau de l'Aide au
 développement et des institutions
 multilatérales de développement
 Ministère de l'économie,
 des finances et de l'industrie
 Paris

Conseiller

Marc TROUYET
 Conseiller
 Représentant permanent adjoint
 de la République française
 auprès de l'OAA
 Rome

Conseiller

Patrick PRUVOT
 Secrétaire général
 Comité interministériel de
 l'agriculture et de
 l'alimentation
 Bureau du Premier Ministre
 Secrétariat général des affaires
 européennes
 Paris

FRANCE (cont'd)

Conseiller	Florence LASBENNES Chef du Bureau des Politiques de développement économique et agricole Ministère des affaires étrangères Paris
Conseiller	Bernard ESNOUF Chef de Division agriculture et agro industries Agence française de développement Paris
Conseiller	Frédéric SANDRON Chercheur Institut de recherche pour le développement Paris

GABON

Gouverneur	Faustin BOUKOUBI Ministre d'État Ministre de l'agriculture, de l'élevage et du développement rural Libreville
Gouverneur suppléant	Yolande BIVIGOU Directeur national des projets du FIDA Ministère de l'agriculture, de l'élevage et du développement rural Libreville
Conseiller	Noël BAÏOT Ambassadeur de la République gabonaise auprès du FIDA Rome
Conseiller	Ivone Alves DIAS DA GRAÇA Premier Conseiller Représentant permanent adjoint de la République gabonaise auprès du FIDA Rome
Conseiller	Jean-Pierre LEGUAMA Conseiller du Ministre Ministère de l'agriculture, de l'élevage et du développement rural Libreville

GAMBIA

Governor	Kanji SANNEH Secretary of State for Agriculture Banjul
Adviser	Ebrima CAMARA Deputy Permanent Secretary for Projects and Programmes Department of State of Agriculture Banjul

GEORGIA

Governor (acting)	Aleksandre TSINTSANDZE Deputy Minister for Agriculture Tbilisi
Alternate Governor	Zaal GOGSADZE Ambassador of Georgia to IFAD Rome
Adviser	Natalia MODEBADZE Director Ministry of Agriculture Tbilisi
Adviser	Tea TSITLANADZE Deputy Head of the Department of Coordination with International Organizations and Projects' Management Ministry of Agriculture Tbilisi
Adviser	Natia SULAVA First Counsellor Deputy Permanent Representative of Georgia to IFAD Rome
Adviser	Soso DANELIA First Counsellor Deputy Permanent Representative of Georgia to IFAD Rome

GERMANY

Governor	Michael HOFMANN Director-General Federal Ministry of Economic Co-operation and Development Bonn
Adviser	Rolf DRESCHER Division Chief Regional Development Banks Federal Ministry of Economic Co-operation and Development Berlin
Adviser	Bernd DUNNZLAFF Counsellor Alternate Permanent Representative of the Federal Republic of Germany to IFAD Rome

GHANA

Governor	Anna NYAMEKYE Deputy Minister for Food and Agriculture Accra
Alternate Governor	Charles AGYEI-AMOAMA Ambassador of the Republic of Ghana to IFAD Rome
Adviser	Kwaku NICOL Minister Counsellor Alternate Permanent Representative of the Republic of Ghana to IFAD Rome

GREECE

Alternate Governor	Emmanuel MANOUSSAKIS Minister Plenipotentiary for Agricultural Affairs Alternate Permanent Representative of the Hellenic Republic to IFAD Rome
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GUATEMALA

Gobernador
(interino)

Bernardo LÓPEZ FIGUEROA
Ministro de Agricultura, Ganadería
y Alimentación
Ciudad de Guatemala

Gobernador Suplente
(interino)

Francisco BONIFAZ RODRÍGUEZ
Embajador de la República
de Guatemala ante los Organismos
de las Naciones Unidas
Roma

Asesor

Armando PALOMO SARTORI
Coordinador de Cooperación Externa
Ministerio de Agricultura, Ganadería
y Alimentación
Ciudad de Guatemala

Asesor

Ileana RIVERA DE ANGOTTI
Ministro Consejero
Representante Permanente Alterno
de la República de Guatemala
ante los Organismos de las
Naciones Unidas
Roma

Asesor

Ana Cristina RODAS
Asesor en el Despacho Ministerial
Ministerio de Agricultura, Ganadería
y Alimentación
Ciudad de Guatemala

Asesor

Edgar AJCIP TEPEU
Director Ejecutivo
Fondo Nacional para la Paz
Roma

Asesor

Héctor Raúl HERNÁNDEZ FIGUEROA
Director del Programa Nacional de
Desarrollo Rural "La Región de Occidente"
Ministerio de Agricultura, Ganadería
y Alimentación
Ciudad de Guatemala

Asesor

Gabriela RUIZ
Jefe de Comunicación Social
Ministerio de Agricultura, Ganadería
y Alimentación
Ciudad de Guatemala

GUINEA

Gouverneur suppléant
(provisoire)

Thierno M. CELLOU DIALLO
Ambassadeur de la République de
Guinée auprès du FIDA
Rome

Conseiller

Abdoulaye TRAORE
Conseiller économique
Représentant permanent suppléant
de la République de Guinée
auprès du FIDA
Rome

HAITI

Gouverneur

Joanas GUE
Secrétaire d'État
Ministère de l'agriculture, des
ressources naturelles et du
développement rural
Port-au-Prince

Gouverneur suppléant
(provisoire)

Yvon SIMÉON
Ambassadeur de la République
d'Haïti auprès du FIDA
Rome

Conseiller

Jean Marie BINETTE
Chef du Cabinet du Ministre
Ministère de l'agriculture, des
ressources naturelles et
du développement rural
Port-au-Prince

Conseiller

Emmanuel CHARLES
Ministre Conseiller
Ambassade de la République
d'Haïti
Rome

Conseiller

Isaac XAVIER
Directeur du Project FIDA
Ministère de l'agriculture, des
ressources naturelles et
du développement rural
Port-au-Prince

HAITI (cont'd)

Conseiller	Carl Benny RAYMOND Conseiller Représentant permanent suppléant de la République d'Haïti auprès du FIDA Rome
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HONDURAS

Gobernador (interino)	Nehemías MARTÍNEZ Subsecretario de Estado en los Despachos de Agricultura y Ganadería Tegucigalpa, M.D.C.
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Gobernador Suplente (interino)	Modesto RODAS Director Programa Nacional de Desarrollo Local Secretaría de Estado en los Despachos de Agricultura y Ganadería Tegucigalpa, M.D.C.
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Asesor	Florencia TORO Administrador Programa Nacional de Desarrollo Local Secretaría de Estado en los Despachos de Agricultura y Ganadería Tegucigalpa, M.D.C.
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Asesor	Mayra Aracely REINA DE TITTA Consejero Representante Permanente Alterno de la República de Honduras ante los Organismos de las Naciones Unidas Roma
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ICELAND

Governor (acting)	Gudni BRAGASON Minister Counsellor Permanent Representative of the Republic of Iceland to the United Nations Food and Agriculture Agencies Rome
----------------------	---

ICELAND (cont'd)

Adviser	Federica FRASCA Assistant Embassy of the Republic of Iceland Rome
---------	---

INDIA

Governor (acting)	Ramalingam PARASURAM Minister (Agriculture) Alternate Permanent Representative of the Republic of India to the United Nations Food and Agriculture Agencies Rome
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INDONESIA

Governor	Mulia Panusunan NASUTION Secretary-General Department of Finance Jakarta
----------	---

Alternate Governor	Susanto SUTOYO Ambassador of the Republic of Indonesia to IFAD Rome
--------------------	--

Adviser	Djafar HUSEIN Deputy Chief of Mission Embassy of the Republic of Indonesia Rome
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Adviser	Irfa AMPRI Head of International Cooperation Center Department of Finance Jakarta
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Adviser	Yusni Emilia HARAHAHAP Head of International Cooperation Bureau Department of Agriculture Jakarta
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INDONESIA (cont'd)

Adviser	Ms HARNIATI Secretary of Agriculture Human Resources Bureau Department of Agriculture Jakarta
Adviser	Siti Nugraha MAULUDIAH First Secretary Alternate Permanent Representative of the Republic of Indonesia to IFAD Rome
Adviser	Erizal SODIKIN Agricultural Attaché Alternate Permanent Representative of the Republic of Indonesia to IFAD Rome
Adviser	Mr MAKHLANI Head of Multilateral Co-operation Division Department of Finance Jakarta
Adviser	Hartyo HARKOMOYO Third Secretary Alternate Permanent Representative of the Republic of Indonesia to IFAD Rome

IRAN (ISLAMIC REPUBLIC OF)

Governor	Eshagh AL HABIB Director-General International Economic and Specialized Agencies Department Ministry of Foreign Affairs Tehran
Alternate Governor (acting)	Javad SHAKHS TAVAKOLIAN Ambassador of the Islamic Republic of Iran to the United Nations Food and Agriculture Agencies Rome

IRAN (ISLAMIC REPUBLIC OF) (cont'd)

Adviser
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Senior Expert
International Economic and
Specialized Agencies Department
Ministry of Foreign Affairs
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Adviser
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Agricultural Attaché
Alternate Permanent Representative
of the Islamic Republic of Iran to
the United Nations Food and
Agriculture Agencies
Rome

IRAQ

Governor
(acting)
Akram AL-JAFF
Ambassador of the
Republic of Iraq
to IFAD
Rome

IRELAND

Governor
Sean O'HUIGINN
Ambassador of Ireland to
the United Nations Food and
Agriculture Agencies
Rome

Alternate Governor
Padraic DEMPSEY
First Secretary (Agriculture)
Deputy Permanent Representative
of Ireland to the United Nations
Food and Agriculture Agencies
Rome

Adviser
Garvan McCANN
Senior Development Specialist
Technical Section
Irish Aid
Department of Foreign Affairs
Dublin

Adviser
Donal MacDONALD
Multilateral EU Section
Irish Aid
Department of Foreign Affairs
Dublin

ISRAEL

Governor
 Gila LIVNAT ROSINER
 Counsellor
 (Economic and Scientific Affairs)
 Permanent Representative of the
 State of Israel to the United Nations
 Food and Agriculture Agencies
 Rome

Adviser
 Elena PIANI
 Rapporteur
 Embassy of the State
 of Israel
 Rome

ITALY

Gouverneur
 Pier Paolo CENTO
 Sous-secrétaire d'État
 Ministère de l'économie
 et des finances
 Rome

Conseiller
 Augusto ZODDA
 Membre du Service de Consultation
 et supervision fiscale
 Ministère de l'économie
 et des finances
 Rome

Conseiller
 Ignazio ANGELONI
 Chef de la Direction générale
 des relations financières
 internationales
 Département du trésor
 Ministère de l'économie
 et des finances
 Rome

Conseiller
 Paolo DUCCI
 Ambassadeur
 Responsable de la coordination
 FAO/IFAD/PAM
 Direction générale de la coopération
 économique et financière multilatérale
 Ministère des affaires étrangères
 Rome

ITALY (cont'd)

Conseiller	Filippo SCAMMACCA del MURGO Chef du Bureau VIII Direction générale pour la coopération au développement Ministère des affaires étrangères Rome
Conseiller	Massimo LAVEZZO CASSINELLI Premier Conseiller Représentant permanent adjoint de la République italienne auprès du FIDA Rome
Conseiller	Fabio LE DONNE Chef du Secrétariat du Sous-secrétaire d'État Ministère de l'économie et des finances Rome
Conseiller	Pablo FACCHINEI Directeur adjoint du Service chargé des Banques de développement multilatéral Direction générale des relations financières internationales Département du trésor Ministère de l'économie et des finances Rome
Conseiller	Marina CALVINO Fonctionnaire Bureau des affaires internationales Ministère des politiques agricoles et des forêts Rome
Conseiller	Jessyama FORLINI Fonctionnaire Bureau des relations internationales Ministère des politiques agricoles et des forêts Rome
Conseiller	Giovanna SCAGLIONE Conseiller Secrétariat du Sous-secrétaire d'État Ministère de l'économie et des finances Rome

ITALY (cont'd)

Conseiller	Gaetano D'ONOFRIO Conseiller Service chargé des Banques de développement multilatéral Direction générale des relations financières internationales Département du trésor Ministère de l'économie et des finances Rome
Conseiller	Santi LAGANÁ Conseiller Bureau VIII Direction générale pour la coopération au développement Ministère des affaires étrangères Rome
Conseiller	Leonardo PERONI Conseiller Coordination FAO/IFAD/PAM Direction générale de la coopération économique et financière multilatérale Ministère des affaires étrangères Rome
Conseiller	Sara LAURINI Conseiller Coordination FAO/IFAD/PAM Direction générale de la coopération économique et financière multilatérale Ministère des affaires étrangères Rome
Conseiller	Elisabetta MALFITANO Conseiller Coordination FAO/IFAD/PAM Direction générale de la coopération économique et financière multilatérale Ministère des affaires étrangères Rome

JAPAN

Governor	Yuji NAKAMURA Ambassador of Japan to Italy Rome
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JAPAN (cont'd)

Alternate Governor
(acting) Kazumi ENDO
Counsellor
Deputy Permanent Representative
of Japan to the United Nations
Food and Agriculture Agencies
Rome

Adviser Chishiro MATSUMOTO
Second Secretary
Economic Section
Embassy of Japan
Rome

JORDAN

Governor
(acting) Radi AL TARAWNEH
Assistant to the Secretary-General
for Agricultural Projects and Extension
Ministry of Agriculture
Amman

Alternate Governor
(acting) Malek BRIZAT
Director for
International Co-operation
Ministry of Planning and
International Co-operation
Amman

Adviser Rulan SAMARA
Second Secretary
Alternate Permanent Representative
of the Hashemite Kingdom of Jordan
to the United Nations Food and
Agriculture Agencies
Rome

KENYA

Governor
(acting) Patrick MUIRURI
Assistant Minister
for Agriculture
Nairobi

Alternate Governor
(acting) Ann Belinda NYIKULI
Ambassador of the Republic of Kenya
to the United Nations Food and
Agriculture Agencies
Rome

KENYA (cont'd)

Adviser	Emily OSENA Agribusiness Development and Credit Officer Ministry of Agriculture Nairobi
Adviser	Patricia ARUWA Special Technical Assistant to the Minister Ministry of Agriculture Nairobi
Adviser	Joseph K. MBURU Agricultural Attaché Alternate Permanent Representative of the Republic of Kenya to the United Nations Food and Agriculture Agencies Rome
Adviser	John K. WAMBUA First Secretary Alternate Permanent Representative of the Republic of Kenya to the United Nations Food and Agriculture Agencies Rome

KIRIBATI

Governor (acting)	Teima ONORIO Vice-President and Minister for Environment, Lands and Agricultural Development Tarawa
Alternate Governor (acting)	Tebwe IETAAKE Secretary Ministry of Environment, Lands and Agricultural Development Tarawa
Adviser	Kinaai KAIRO Director for Agriculture and Livestock Ministry of Environment, Lands and Agricultural Development Tarawa

KUWAIT

Governor (acting)	Hesham I. AL-WAQAYAN Deputy Director-General Operations and Disbursement Kuwait Fund for Arab Economic Development Kuwait City
Adviser	Waleed AL-BAHAR Regional Manager for Central Asia and European Countries Kuwait Fund for Arab Economic Development Kuwait City

LAO PEOPLE'S DEMOCRATIC REPUBLIC

Governor	Somdy DOUANGDY Vice-Minister for Finance Vientiane
Adviser	Viengthong SIPHANDONE Director-General External Financial Relations Department Ministry of Finance Vientiane
Adviser	Somphanh CHANPHENGXAY Deputy Director-General Livestock and Fisheries Department Ministry of Agriculture and Forestry Vientiane
Adviser	Vannapha DOUANGDY Economic Expert Ministry of Finance Vientiane

LEBANON

Gouverneur (provisoire)	Hassane ABI AKAR Conseiller Représentant Permanent suppléant de la République libanaise auprès des organisations spécialisées des Nations Unies Rome
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LESOTHO

Governor (acting)	Mamoruti MALIE Permanent Secretary Ministry of Agriculture and Food Security Maseru
Alternate Governor	Mathoriso MOLUMELI Chief Economic Planner Ministry of Agriculture and Food Security Maseru
Adviser	Mamosala Semakaleng SHALE First Secretary Alternate Permanent Representative of the Kingdom of Lesotho to IFAD Rome

LIBERIA

Governor (acting)	Musu JATU RUHLE Counsellor Chargé d'affaires, a. i. Embassy of the Republic of Liberia Rome
----------------------	--

LIBYAN ARAB JAMAHIRIYA

Governor	Abubaker Al-Mabruk AL-MANSURI Secretary of the People's Committee of the Authority for Agriculture, Animal Wealth and Marine Resources Tripoli
Alternate Governor (acting)	Abdalla A. M. ZAIED Permanent Representative of the Socialist People's Libyan Arab Jamahiriya to the United Nations Food and Agriculture Agencies Rome
Adviser	Seraj Addin S.A. ESSA Counsellor Alternate Permanent Representative of the Socialist People's Libyan Arab Jamahiriya to the United Nations Food and Agriculture Agencies Rome

LIBYAN ARAB JAMAHIRIYA (cont'd)

Adviser	Ahmad ALBIDI People's Committee of the Authority for Agriculture, Animal Wealth and Marine Resources Tripoli
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LUXEMBOURG

Gouverneur suppléant	Arsène JACOBY Conseiller de Direction Ministère des finances Luxembourg-Ville
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MADAGASCAR

Gouverneur suppléant	Auguste Richard PARAINA Ambassadeur de la République de Madagascar auprès des organisations spécialisées des Nations Unies Rome
----------------------	---

Conseiller	Monsieur MONJA Conseiller Représentant permanent adjoint de la République de Madagascar auprès des organisations spécialisées des Nations Unies Rome
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MALAWI

Governor	Bintony KUTSAIRA Deputy Minister for Agriculture and Food Security Lilongwe
----------	--

Alternate Governor	Patrick KABAMBE Principal Secretary Ministry of Agriculture and Food Security Lilongwe
--------------------	--

MALAYSIA

Alternate Governor	Lily ZACHARIAH Ambassador Permanent Representative of Malaysia to the United Nations Food and Agriculture Agencies Rome
Adviser	Mohammad Azhar BIN MAZLAN Counsellor Alternate Permanent Representative of Malaysia to the United Nations Food and Agriculture Agencies Rome
Adviser	Johari BIN RAMLI Agricultural Attaché Alternate Permanent Representative of Malaysia to the United Nations Food and Agriculture Agencies Rome
Adviser	Amri BIN ISMAIL Assistant Agricultural Attaché Alternate Permanent Representative of Malaysia to the United Nations Food and Agriculture Agencies Rome

MALDIVES

Governor	Abdullah KAMALUDEEN Minister for Fisheries, Agriculture and Marine Resources Malé
Adviser	Abdullah NASEER Executive Director Ministry of Fisheries, Agriculture and Marine Resources Malé

MALI

Gouverneur (provisoire)	Ibrahim Bocar DAGA Ambassadeur de la République du Mali auprès du FIDA Rome
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MALI (cont'd)

Gouverneur suppléant (provisoire)	Modibo Mahamane TOURÉ Deuxième Conseiller Représentant permanent adjoint de la République du Mali auprès du FIDA Rome
--------------------------------------	--

Conseiller	Fousseyni DIARRA Conseiller technique Ministère de l'agriculture Bamako
------------	--

Conseiller	Guimogo DOLO Directeur des Opérations à la direction nationale de la dette publique Ministère de l'économie et des finances Bamako
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MALTA

Governor	Walter BALZAN Permanent Representative of the Republic of Malta to IFAD Rome
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Alternate Governor	Ritienne BONAVIDA First Secretary Alternate Permanent Representative of the Republic of Malta to IFAD Rome
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MAURITANIA

Gouverneur suppléant	Yahya N'GAM Ambassadeur de la République islamique de Mauritanie auprès du FIDA Rome
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Conseiller	Amadou TIDJANE KANE Premier Conseiller Représentant permanent adjoint de la République islamique de Mauritanie auprès du FIDA Rome
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MAURITIUS

Governor (acting)	Denis CANGY Consul of the Republic of Mauritius Rome
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MEXICO

Gobernador Suplente	Vladimir HERNÁNDEZ LARA Consejero Representante Permanente Alterno de los Estados Unidos Mexicanos ante el FIDA Roma
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MOROCCO

Gouverneur	Moha MARGHI Secrétaire général Ministère de l'agriculture, du développement rural et des pêches maritimes Rabat
Gouverneur suppléant	Ali LAMRANI Chef de la Division des financements multilatéraux Ministère des finances et de la privatisation Rabat
Conseiller	Mohamed AIT HMID Ministre plénipotentiaire Représentant permanent adjoint du Royaume du Maroc auprès du FIDA Rome

MOZAMBIQUE

Governor (acting)	Victor BERNARDO Deputy Minister for Planning and Development Maputo
Alternate Governor (acting)	Laurinda Fernando Saide BANZE Second Secretary Chargé d'affaires, a. i. Embassy of the Republic of Mozambique Rome

MOZAMBIQUE (cont'd)

Adviser	António DE ABREU Executive Director Bank of Mozambique Maputo
Adviser	Martinho FERNANDES President of the Economic Rehabilitation Support Fund Ministry of Planning and Development Maputo
Adviser	Albertina Mac DONALD Deputy Director International Organizations and Conferences Ministry of Foreign Affairs and Co-operation Maputo
Adviser	Fátima GIMO Technical Officer National Treasury Ministry of Finance Maputo

NEPAL

Governor	Ganesh Kumar K.C. Secretary Ministry of Agriculture and Co-operatives Kathmandu
Adviser	Madhab K. KARKEE Senior Agricultural Economist Ministry of Agriculture and Co-operatives Kathmandu

NETHERLANDS

Alternate Governor	Ewald WERMUTH Ambassador of the Kingdom of the Netherlands to IFAD Rome
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NETHERLANDS (cont'd)

Adviser
 Theo VAN BANNING
 Counsellor
 Deputy Permanent Representative
 of the Kingdom of the Netherlands
 to IFAD
 Rome

Adviser
 Marjorie MEIS
 Policy Adviser
 Coordination and Institutional
 Affairs Division
 United Nations and International
 Financial Institutions Department
 Ministry of Foreign Affairs
 The Hague

NICARAGUA

Gobernador
 Piero COEN MONTEALEGRE
 Embajador de la República de Nicaragua
 ante los Organismos de las
 Naciones Unidas
 Roma

Gobernador Suplente
 Amelia Silvia CABRERA
 Ministra Consejera
 Representante Permanente Adjunta
 de la República de Nicaragua
 ante los Organismos de las
 Naciones Unidas
 Roma

NIGER

Gouverneur
 Ausseil Mireille FATOUMA
 Ambassadeur de la République
 du Niger auprès du FIDA
 Rome

Conseiller
 Zakariaou Adam MAÏGA
 Conseiller
 Représentant permanent adjoint
 de la République du Niger
 auprès du FIDA
 Rome

NIGERIA

Governor (acting)	A.I. PEPPLE Permanent Secretary Federal Ministry of Agriculture and Water Resources Abuja
Alternate Governor (acting)	Ganyir LOMBIN Permanent Representative of the Federal Republic of Nigeria to the United Nations Food and Agriculture Agencies Rome
Adviser	Salisu A. INGAWA Director Project Coordinator Unit Federal Ministry of Agriculture and Water Resources Abuja
Adviser	S. NEGEDU Director of Agriculture Federal Ministry of Agriculture and Water Resources Abuja
Adviser	Olaniran YAYA Permanent Representative Designate of the Federal Republic of Nigeria to the United Nations Food and Agriculture Agencies Rome
Adviser	Charles WALI Special Adviser to the Permanent Secretary Federal Ministry of Agriculture and Water Resources Abuja
Adviser	K.I. NWOSU Director National Root Crops Research Institute Federal Ministry of Agriculture and Water Resources Abuja

NIGERIA (cont'd)

Adviser	Agnes A. AREMU Assistant Director International Economic Relations Department Federal Ministry of Finance Abuja
Adviser	Adeoye Akinwumi ADENIJI Programme Manager Root and Tuber Expansion Programme Federal Ministry of Agriculture and Water Resources Abuja
Adviser	Muyiwa O. AZEEZ Desk Officer (IFAD) Federal Ministry of Agriculture and Water Resources Abuja

NORWAY

Alternate Governor	Ingrid GLAD Assistant Director-General Multilateral Bank and Finance Section Ministry of Foreign Affairs Oslo
Adviser	Bente WEISSER Senior Adviser Multilateral Bank and Finance Section Ministry of Foreign Affairs Oslo
Adviser	Arne B. HØNNINGSTAD Ambassador Permanent Representative of the Kingdom of Norway to IFAD Rome
Adviser	Daniel VAN GILST Second Secretary Deputy Permanent Representative of the Kingdom of Norway to IFAD Rome
Adviser	Magne HAREIDE Trainee Royal Norwegian Embassy Rome

OMAN

Governor (acting)	Mohammed Rida bin Hassan SULAIMAN Adviser for Planning Affairs Ministry of Agriculture and Fisheries Muscat
Alternate Governor (acting)	Hafidh Hamad Sulaiman AL-RAWAHI Counsellor Chargé d'affaires, a. i. Embassy of the Sultanate of Oman Rome
Adviser	Rasmi MAHMOUD Technical Adviser Embassy of the Sultanate of Oman Rome

PAKISTAN

Governor	Sikandar Hayat KHAN BOSAN Federal Minister for Food, Agriculture and Livestock Islamabad
Alternate Governor	Muhammad Akram MALIK Secretary Economic Affairs Division Ministry of Economic Affairs and Statistics Islamabad
Adviser	Mirza Qamar BEG Ambassador of the Islamic Republic of Pakistan to the United Nations Food and Agriculture Agencies Rome
Adviser	Shafqat Hussain NAGHMI Joint Secretary Ministry of Food, Agriculture and Livestock Islamabad
Adviser	Aamir Ashraf KHAWAJA Agricultural Counsellor Alternate Permanent Representative of the Islamic Republic of Pakistan to the United Nations Food and Agriculture Agencies Rome

PANAMA

Gobernador Suplente	Eudoro Jaén ESQUIVEL Embajador de la República de Panamá ante los Organismos de las Naciones Unidas Roma
Asesor	Horacio J. MALTEZ Ministro Consejero Representante Permanente Adjunto de la República de Panamá ante los Organismos de las Naciones Unidas Roma

PAPUA NEW GUINEA

Governor (acting)	Nino SARUVA Acting Secretary Department of Treasury Waigani, N.C.D.
Alternate Governor (acting)	Mosilayola KWAYAILA Director Aid Policy and Coordination Directorate Department of National Planning and Monitoring Waigani, N.C.D.
Adviser	Manu MOMO First Assistant Secretary Economic Policy Division Department of Treasury Waigani, N.C.D.
Adviser	Vele KAGENA Deputy Secretary - Policy Department of Agriculture and Livestock Konedobu, N.C.D.
Adviser	Reichert THANDA Senior Aid Coordinator (UN Systems) Aid Policy and Coordination Directorate Department of National Planning and Monitoring Waigani, N.C.D.

PARAGUAY

Gobernador	Jorge FIGUEREDO FRATTA Embajador de la República del Paraguay ante el FIDA Roma
Gobernador Suplente	Liz Haydee CORONEL CORREA Consejera Representante Permanente Adjunto de la República del Paraguay ante el FIDA Roma

PERU

Gobernador	Carlos ROCA CÁCERES Embajador de la República del Perú ante el FIDA Roma
Gobernador Suplente	Roberto SEMINARIO PORTOCARRERO Ministro Representante Permanente Adjunto de la República del Perú ante el FIDA Roma
Asesor	Manuel Antonio ALVAREZ ESPINAL Consejero Representante Permanente Alterno de la República del Perú ante el FIDA Roma

PHILIPPINES

Governor (acting)	Philippe J. LHUILLIER Ambassador of the Republic of The Philippines to IFAD Rome
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PORTUGAL

Governor	Carlos Manuel Inácio FIGUEIREDO IFADAP/INGA Ministry of Agriculture, Rural Development and Fisheries Lisbon
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PORTUGAL (cont'd)

Alternate Governor Carlos Manuel DOS SANTOS FIGUEIREDO
 Head of Department
 Coordination of International Relations
 General Directorate for European
 and International Affairs
 Ministry of Finance and
 Public Administration
 Lisbon

Adviser Antonio PINHO
 Alternate Permanent Representative
 of the Portuguese Republic to the
 United Nations Agencies for Food
 and Agriculture
 Rome

QATAR

Governor Abdul Rahman bin Khalifa AL-THANI
 Minister for Municipal Affairs
 and Agriculture
 Doha

Alternate Governor Soltan Saad S.K. AL-MORAIKHI
 Ambassador of the State of Qatar
 to IFAD
 Rome

Adviser Faleh BIN NASSER AL-THANI
 Director
 General Directorate for Research
 and Agricultural Development
 Ministry of Municipal Affairs
 and Agriculture
 Doha

Adviser Ahmed Ibrahim AL ABDULLA
 Minister Plenipotentiary
 Alternate Permanent Representative
 of the State of Qatar to IFAD
 Rome

Adviser Walid Bin Fahad AL-MANAAI
 Director
 Office of the Minister
 Ministry of Municipal Affairs
 and Agriculture
 Doha

QATAR (cont'd)

Adviser	Hamad Saad AL SAAD Director Agricultural and Water Research Ministry of Municipal Affairs and Agriculture Doha
Adviser	Khalid BIN HAMAD AL-THANI First Secretary Alternate Permanent Representative of the State of Qatar to IFAD Rome
Adviser	Ali Mohamed JABOR AL-KUBAISI Expert on Agricultural Affairs Ministry of Municipal Affairs and Agriculture Doha
Adviser	Ali Jaber J. SOROUR Director Public Relations Department Ministry of Municipal Affairs and Agriculture Doha
Adviser	Abdel Aziz Mohammed AL-JABER Assistant Office of the Minister Ministry of Municipal Affairs and Agriculture Doha
Adviser	Akeel HATOOR Adviser Embassy of the State of Qatar Rome

REPUBLIC OF KOREA

Governor (acting)	MIN Dong-seok Deputy Minister for Agricultural Trade Policy Ministry of Agriculture and Forestry Gwacheon
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REPUBLIC OF KOREA (cont'd)

Alternate Governor (acting)	KIM Chang-hyun Director Multilateral Division Ministry of Agriculture and Forestry Gwacheon
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REPUBLIC OF MOLDOVA

Governor	Anatolie SPIVACENCO Deputy Minister for Agriculture and Food Industry Chisinau
Adviser	George AVORNIC Second Secretary Alternate Permanent Representative of the Republic of Moldova to IFAD Rome

ROMANIA

Gouverneur	Nicolae Flaviu LAZIN Secrétaire d'État Ministère de l'agriculture, des forêts et du développement rural Bucarest
Conseiller	Gabriela DUMITRIU Conseiller Représentante permanente adjointe de la Roumanie auprès du FIDA Rome

RWANDA

Gouverneur (provisoire)	Ernest RUZINDAZA Directeur de la planification Ministère de l'agriculture et de l'élevage Kigali
Conseiller	Francesco ALICICCO Consul Honoraire de la République du Rwanda Rome

SAUDI ARABIA

Governor (acting)	Sulaiman AL-TURKI Adviser to the Minister for Finance Executive Director of the International Monetary Fund Ministry of Finance Riyadh
Alternate Governor (acting)	Abdul Rahman Mohammad A. ALANGARI Permanent Representative of the Kingdom of Saudi Arabia to FAO Rome
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SENEGAL

Gouverneur (provisoire)	Alassane WÉLÉ Deuxième Conseiller Représentant permanent suppléant de la République du Sénégal auprès du FIDA Rome
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SOUTH AFRICA

Governor (acting)	Duncan SEBEFELO Counsellor (Multilateral Affairs) Embassy of the Republic of South Africa Rome
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SPAIN

Gobernador Suplente	Jorge CABRERA ESPINÓS Primer Secretario Embajada de España Roma
Asesor	Ernesto RÍOS LÓPEZ Consejero de Agricultura, Pesca y Alimentación Representante Permanente Adjunto de España ante los Organismos de las Naciones Unidas Roma

SRI LANKA

Governor E. Rodney M. PERERA
Ambassador of the Democratic
Socialist Republic of Sri Lanka
to IFAD
Rome

SUDAN

Governor Mohamed El Amin KABASHI EISA
Minister for Agriculture and Forestry
Khartoum

Adviser Rabie HASSAN AHMED
Ambassador of the Republic
of the Sudan to Italy
Rome

Adviser Mohamed Eltayeb ELFAKI EL NOR
Counsellor (Agricultural Affairs)
Permanent Representative of the
Republic of the Sudan to the
United Nations Food and
Agriculture Agencies
Rome

Adviser Mohamed Hassan JUBARA MOHAMED
Director-General
International Co-operation and
Investment Directorate
Ministry of Agriculture and Forestry
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Adviser Mohamed El Hag SIR-ELKHATIM
Senior Co-ordinator for
IFAD Funded Projects
Ministry of Agriculture
and Forestry
Khartoum

SWAZILAND

Governor Mtiti FAKUDZE
Minister for Agriculture
and Co-operatives
Mbabane

Alternate Governor Christopher NKWANYANA
Under-Secretary (Development)
Ministry of Agriculture
and Co-operatives
Mbabane

SWEDEN

Governor
 Joakim STYMNE
 State Secretary to the Minister
 for International Development
 Co-operation
 Ministry of Foreign Affairs
 Stockholm

Adviser
 Ann UUSTALU
 Minister
 Permanent Representative
 of the Kingdom of Sweden
 to IFAD
 Rome

Adviser
 Margaretha ARNESSON-CIOTTI
 Programme Officer
 Royal Swedish Embassy
 Rome

SWITZERLAND

Gouverneur
 (provisoire)
 Christine E. GRIEDER
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 Section des Institutions
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 Direction du développement
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 Département fédéral des
 affaires étrangères
 Berne

Conseiller
 Lothar CAVIEZEL
 Ministre
 Représentant permanent de la
 Confédération suisse
 auprès du FIDA
 Rome

SYRIAN ARAB REPUBLIC

Governor
 Adel SAFAR
 Minister for Agriculture
 and Agrarian Reform
 Damascus

Alternate Governor
 (acting)
 Samir AL-KASSIR
 Ambassador of the
 Syrian Arab Republic
 to IFAD
 Rome

SYRIAN ARAB REPUBLIC (cont'd)

Adviser	Mohammad Hassan QATANA Director of Statistics and Planning Ministry of Agriculture and Agrarian Reform Damascus
Adviser	Mohammad ABDALLAH Director of Agricultural Guidance Ministry of Agriculture and Agrarian Reform Damascus
Adviser	Souha JAMALI Minister Plenipotentiary Alternate Permanent Representative of the Syrian Arab Republic to IFAD Rome
Adviser	Hasan KHADDOUR First Secretary Alternate Permanent Representative of the Syrian Arab Republic to IFAD Rome

THAILAND

Governor (acting)	Suthiporn CHIRAPANDA Deputy Permanent Secretary Ministry of Agriculture and Co-operatives Bangkok
Alternate Governor	Tritaporn KHOMAPAT Minister (Agricultural Affairs) Permanent Representative of the Kingdom of Thailand to the United Nations Food and Agriculture Agencies Rome
Adviser	Pornprome CHAIRIDCHAI Senior Administrative Officer Ministry of Agriculture and Co-operatives Bangkok

THAILAND (cont'd)

Adviser	Sairak CHAILANGGAR First Secretary Deputy Permanent Representative of the Kingdom of Thailand to the United Nations Food and Agriculture Agencies Rome
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THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Governor	Lidija CADIKOVSKA Director Agricultural and Financial Services Project Ministry of Agriculture, Forestry and Water Economy Skopje
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Adviser	Goran DAMOVSKI Programme Officer Facility for Farmers Access to Markets Ministry of Agriculture, Forestry and Water Economy Skopje
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TOGO

Gouverneur	Yves Madow NAGOU Ministre de l'agriculture, de l'élevage et de la pêche Lomé
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Gouverneur suppléant	Akla-Esso M'Baw AROKOUM Directeur de l'agriculture Ministère de l'agriculture, de l'élevage et de la pêche Lomé
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TUNISIA

Gouverneur (provisoire)	Mohamed Habib HADDAD Ministre de l'agriculture et des ressources hydrauliques Tunis
----------------------------	--

TUNISIA (cont'd)

Gouverneur suppléant
(provisoire)

Habib MANSOUR
Ambassadeur de la République tunisienne
auprès des organisations spécialisées
des Nations Unies
Rome

Conseiller

Kamel BEN REJEB
Directeur général de la coopération
financière multilatérale
Ministère du développement et
de la coopération internationale
Tunis

Conseiller

Mohamed LASSOUAD
Directeur de la
coopération internationale
Ministère de l'agriculture et
des ressources hydrauliques
Tunis

Conseiller

Abdelhamid ABID
Conseiller (Affaires étrangères)
Ambassade de la
République tunisienne
Rome

TURKEY

Governor
(acting)

Yüksel YÜCEKAL
Counsellor
Alternate Permanent Representative
of the Republic of Turkey
to IFAD
Rome

UGANDA

Governor

Ezra SURUMA
Minister for Finance, Planning
and Economic Development
Kampala

Alternate Governor

Hilary O. ONEK
Minister for Agriculture,
Animal Industry and Fisheries
Entebbe

Adviser

Deo K. RWABITA
Ambassador of the Republic
of Uganda to IFAD
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UGANDA (cont'd)

Adviser	Lawrence KIIZA Director of External Affairs Ministry of Finance, Planning and Economic Development Kampala
Adviser	Robert SABIITI First Secretary (Agricultural Attaché) Alternate Permanent Representative of the Republic of Uganda to IFAD Rome
Adviser	Stephen AMAYO Assistant to the Minister Ministry of Agriculture, Animal Industry and Fisheries Entebbe

UNITED ARAB EMIRATES

Governor (acting)	Abdulla Ahmed BIN ABDUL AZIZ Under-Secretary for Agriculture Affairs Ministry of Environment and Water Abu Dhabi
Alternate Governor (acting)	Abdulhamid Abdulfatah KAZIM Ambassador of the United Arab Emirates to the United Nations Food and Agriculture Agencies Rome
Adviser	Majed Ali Ahmed OMRAN AL SHAMSI Director Revenue Department Ministry of Finance and Industry Abu Dhabi
Adviser	Obeid Ali Mirghani HASSAN Press Officer Embassy of the United Arab Emirates Rome

UNITED KINGDOM

Governor	James HARVEY Head of Livelihoods and Environment Professions Policy Division Department for International Development London
Alternate Governor (acting)	Neil BRISCOE Ambassador of the United Kingdom of Great Britain and Northern Ireland to the United Nations Food and Agriculture Agencies Rome
Adviser	Elizabeth NASSKAU Deputy Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations Food and Agriculture Agencies Rome

UNITED REPUBLIC OF TANZANIA

Governor	Stephen Masato WASIRA Minister for Agriculture, Food Security and Co-operatives Dar es Salaam
Alternate Governor	Wilfred J. NGIRWA Minister Plenipotentiary Permanent Representative of the United Republic of Tanzania to IFAD Rome
Adviser	Lubilo Andrew JOSEPH Private Secretary to the Minister Ministry of Agriculture, Food Security and Cooperatives Dar es Salaam
Adviser	Emmanuel M. ACHAYO Director for Policy and Planning Ministry of Agriculture, Food Security and Cooperatives Dar es Salaam

UNITED REPUBLIC OF TANZANIA (cont'd)

Adviser
 Perpetua M.S. HINGI
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 Alternate Permanent Representative
 of the United Republic of Tanzania
 to IFAD
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UNITED STATES

Governor
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 Development Banks
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Alternate Governor
 (acting)
 Carol KRAMER-LEBLANC
 Senior Agricultural Economist
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 Department of the Treasury
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 Agriculture Agencies
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Adviser
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 Alternate Permanent Representative
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 Agriculture Agencies
 Rome

URUGUAY

Gobernador
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 Gabriela CHIFFLET
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 Representante Permanente Adjunto de
 la República Oriental del Uruguay
 ante los Organismos de las
 Naciones Unidas
 Roma

VIET NAM

Alternate Governor	YEN Nguyen Thi Hong Deputy Director-General External Finance Department Ministry of Finance Hanoi
Adviser	HUONG Nguyen Lan Manager Multilateral Division External Finance Department Ministry of Finance Hanoi
Adviser	MINH Bui Quang Counsellor Deputy Permanent Representative of the Socialist Republic of Viet Nam to IFAD Rome

YEMEN

Governor	Jalal Ibrahim FAQEERA Minister for Agriculture and Irrigation Sana'a
Alternate Governor	Abdulrahman Mohammed BAMATRAF Ambassador of the Republic of Yemen to the United Nations Food and Agriculture Agencies Rome
Adviser	Shaya Mohsin MOHAMED ZINDANI Ambassador of the Republic of Yemen to Italy Rome
Adviser	Nabil Mohammed MOHJEM Director-General of North Territories Sana'a
Adviser	Abdulmalik Qassem ALTHAWR Director-General Planning and Monitoring Ministry of Agriculture and Irrigation Sana'a

ZAMBIA

Governor (acting)	Lucy Mungoma MUNGOMA Ambassador of the Republic of Zambia to the United Nations Food and Agriculture Agencies Rome
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ZIMBABWE

Alternate Governor	Mary Margaret MUCHADA Ambassador of the Republic of Zimbabwe to IFAD Rome
Adviser	Michael Muchenje NYERE Counsellor Alternate Permanent Representative of the Republic of Zimbabwe to IFAD Rome

المراقبون من الدول الأعضاء بالأمم المتحدة

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SLOVENIA

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الكرسي الرسولي

HOLY SEE

SAINT-SIÈGE

SANTA SEDE

Renato VOLANTE
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Saint-Siège auprès du FIDA
Cité du Vatican

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Mission permanente d'observation
du Saint-Siège auprès des Institutions
des Nations Unies pour l'alimentation
et l'agriculture
Cité du Vatican

جماعة فرسان مالطة

SOVEREIGN ORDER OF MALTA

ORDRE SOUVERAIN DE MALTE

SOBERANA ORDEN DE MALTA

Giuseppe BONANNO DI LINGUAGLOSSA
Ambassadeur de l'Ordre Souverain
Militaire Hospitalier de Saint-Jean
de Jérusalem de Rhodes et de Malte
Observateur permanent auprès du FIDA
Rome

Claude FORTHOMME
Conseiller technique
Ordre Souverain Militaire Hospitalier
de Saint-Jean de Jérusalem de Rhodes
et de Malte
Rome

السلطة الفلسطينية

THE PALESTINIAN AUTHORITY

L'AUTORITÉ PALESTINIENNE

LA AUTORIDAD PALESTINA

Hussein AL AFLAK
Counsellor
Delegation of
The Palestinian Authority
Rome

الممثلون عن الأمم المتحدة والوكالات المتخصصة

REPRESENTATIVES OF THE UNITED NATIONS AND SPECIALIZED AGENCIES

REPRÉSENTANTS DES NATIONS UNIES ET INSTITUTIONS SPÉCIALISÉES

REPRESENTANTES DE LAS NACIONES UNIDAS Y ORGANISMOS ESPECIALIZADOS

Food and Agriculture Organization of the United Nations

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Annika SÖDER
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Investment Centre Division
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Rome

Guy EVERS
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Technical Co-operation Department
Rome

Julia WOLF
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Rome

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International Labour Organization

Roberto FEDELI
Project Manager
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International Labour Organization (cont'd)

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Adviser
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Office of the United Nations High Commissioner for Refugees

Paolo ARTINI
Senior Regional Protection Officer
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Rome

United Nations Centre for Human Settlements

Frederico T. NETO
Officer-in-Charge
Urban Economy Branch
Monitoring and Research Division
Nairobi

United Nations Educational, Scientific and Cultural Organization

Philippe PYPAERT
Programme Specialist
UNESCO Office
Venice

United Nations Industrial Development Organization

Chakib JENANE
Chief
Agro-Industry Support Unit
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Co-operation Division
Vienna

United Nations Office for Project Services

Omer ZAFAR
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Liaison Centre
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Sheila SISULU
Officer-in-Charge
Deputy Executive Director for
Policy and External Affairs
Rome

Haladou SALHA
Director
Office of the Deputy Executive Director
for Policy and External Affairs
Rome

Katharina GOLA
Officer
External Affairs Division
Rome

المراقبون من المنظمات الحكومية الدولية

OBSERVERS FROM INTERGOVERNMENTAL ORGANIZATIONS

OBSERVATEURS DES ORGANISATIONS INTERGOUVERNEMENTALES

OBSERVADORES DE LAS ORGANIZACIONES INTERGUBERNAMENTALES

Arab Bank for Economic Development in Africa

Wahid HAJRI
Assistant Director-General
of Operations
Khartoum

Abdulmagid H. BURAWI
Senior Project Staff
Operations Department
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Arab Center for the Studies of Arid Zones and Dry Lands

Naser Edin OBEID
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Administrative and
Finance Department
Damascus

Arab Organization for Agricultural Development

Jehad Abu MUSHREF
Director
AOAD Office
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Co-operation Council for the Arab States of the Gulf

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Secretary-General
Riyadh

Said AL-MARRI
Director of Protocol
and Conferences
Riyadh

Hilal AMBUSAIIDI
Director of the
Agriculture Department
Riyadh

European Union

Luis RITTO
Ambassadeur
Représentant permanent de la
Commission européenne auprès
du Saint-Siège et des organisations
spécialisées des Nations Unies
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Représentant permanent suppléant
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Maria Adelaide D'ARCANGELO
Délégation de la Commission européenne
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Inter-American Institute for Co-operation on Agriculture

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Subdirector General Adjunto
Director de Relaciones Estratégicas
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de América
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International Center for Agricultural Research in the Dry Areas

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International Organization for Migration

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Regional Programme
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Project Manager
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League of Arab States

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West African Development Bank

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Directeur adjoint de la
Direction du Développement
rural et des infrastructures
Lomé

Etien BOKA
Chef de la Division Développement
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Lomé

المراقبون من المنظمات غير الحكومية

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Heifer International

Terry WOLLEN
Director of Animal
Well Being
Little Rock

International Commission on Irrigation and Drainage

Alain VIDAL
Chairman
Permanent Committee on
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International Federation of Organic Agriculture Movements

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Rome

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Agenda and programme of events

Governing Council — Thirtieth Session
Rome, 14-15 February 2007

Agenda

1. Opening of the session
2. Adoption of the agenda
3. Statement by the President of IFAD
4. General statements
5. Report on the Seventh Replenishment of IFAD's Resources
6. Audited financial statements of IFAD for 2005
7. Administrative budget of IFAD and its Office of Evaluation for 2007
8. Membership of the Executive Board
9. Progress report on implementation of the performance-based allocation system
10. Report on lessons learned by the International Land Coalition
11. Progress report on the Global Mechanism of the United Nations Convention to Combat Desertification
12. Other business
 - Disclosure of documents

Programme of events

Wednesday, 14 February 2007

Morning meeting

10 a.m. to 1 p.m.

10 a.m. to 1 p.m.

Inaugural ceremony
Commencement of consideration of agenda items

Afternoon meeting

3 p.m. to 6.30 p.m.

3 p.m. to 5.30 p.m.

Round-table discussions

Three round tables will be held simultaneously on the following topics:

- Rural employment promotion through the value chain approach
- Generating remunerative livelihood opportunities for rural youth
- Migration and rural employment

5.30 p.m. to 6.30 p.m.

Continuation of consideration of agenda items

Thursday, 15 February 2007

Morning meeting

9.30 a.m. to 1 p.m.

9.30 a.m. to 1 p.m.

Continuation of consideration of agenda items

Afternoon meeting

3 p.m. to 6 p.m.

3 p.m. to 5.50 p.m.

Continuation of consideration of agenda items

5.50 p.m. to 6 p.m.

Closure of the session

List of documents placed before the thirtieth session of the Governing Council

Document No.	Agenda item	Title
GC 30/L.1	2	Provisional agenda and programme of events
GC 30/L.1 + Add.1	2	Schedule of work for the session
GC 30/L.2	5	Report on the status of contributions to the Seventh Replenishment of IFAD's Resources
GC 30/L.3	6	Audited financial statements of IFAD as at 31 December 2005
GC 30/L.4	7	Programme of work and administrative budget of IFAD and its Office of Evaluation for 2007
GC 30/L.5	8	Election of members and alternate members of the Executive Board
GC 30/L.6	9	Progress report on implementation of the performance-based allocation system
GC 30/L.7	10	Report on lessons learned by the International Land Coalition
GC 30/L.8	11	Progress report on the Global Mechanism of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa
GC 30/INF.1		Arrangements for the thirtieth session of the Governing Council
GC 30/INF.2		IFAD Policy on the disclosure of documents
GC 30/INF.3		Results of the Governing Council vote by correspondence for the authorization of a special retroactive expenditure on staff costs
GC 30/INF.4		Round table 1 - Migration and rural employment
GC 30/INF.5		Round table 2 - Rural employment promotion through the value chain approach
GC 30/INF.6		Round table 3 - Generating remunerative livelihood opportunities for rural youth
GC 30/INF.7		Round-table discussions

GC 30/INF.8	Report on the status of contributions to the Sixth Replenishment of IFAD's Resources
GC 30/INF.9	IFAD's participation in the Debt Initiative for Heavily Indebted Poor Countries- Progress report
GC 30/INF.10	Financial highlights of the year ended 31 December 2006
GC 30/INF.11	Order of speakers - statements to be delivered during plenary meetings
GC 30/Resolutions	Resolutions adopted by the Governing Council at its thirtieth session
Closing statement*	Statement by the Chairperson, Mr James Harvey, closing the thirtieth session of the Governing Council

* Distributed only in English

Document: GC 30/Resolutions
Date: 15 February 2007
Distribution: Public
Original: English

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Resolutions adopted by the Governing Council at its thirtieth session

Governing Council — Thirtieth Session
Rome, 14-15 February 2007

For: Information

Resolutions adopted by the Governing Council at its thirtieth session

The Governing Council, at its thirtieth session, was informed that on 28 November 2006 it had adopted Resolution 144/XXX through a vote by correspondence.

The Governing Council, at its thirtieth session, adopted Resolution 145/XXX, on 15 February 2007.

These resolutions are transmitted for the information of all Members of IFAD.

Resolution 144/XXX

Special retroactive expenditure on staff costs

The Governing Council of IFAD,

Taking into account the recommendation of the International Civil Service Commission for a revision of the salary scales for General Service staff at the Rome-based agencies of the United Nations retroactive to 1 November 2005,

Noting that IFAD's 2005 financial statements have been finalized and audited,

Having considered the recommendation of the Executive Board at its eighty-eighth session that the Governing Council be requested to approve, through a vote by correspondence, a **special retroactive expenditure on staff costs** in the amount of US\$1.4 million to finance implementation of the retroactive adjustment of the General Service staff salary scale for the period November-December 2005;

Decides that:

A special retroactive expenditure on staff costs in the amount of US\$1.4 million be made available to cover increases in General Service staff costs for the period November-December 2005; and that

The said special retroactive expenditure on staff costs be applied to staff costs for General Service staff salaries for the period November-December 2005.

Resolution 145/XXX

Administrative budget of IFAD and its Office of Evaluation for 2007

The Governing Council of IFAD,

Bearing in mind Article 6.10 of the Agreement Establishing IFAD and Regulation VI of the Financial Regulations of IFAD;

Noting that, at its eighty-ninth session, the Executive Board reviewed and agreed upon a programme of work of IFAD for 2007 in the amount of SDR 408.81 million and a total Programme Development Financing Facility of US\$33.80 million; and

Having considered the review of the eighty-ninth session of the Executive Board concerning the proposed administrative budget of IFAD and its Office of Evaluation for 2007;

Approves the administrative budget of IFAD for 2007, as contained in document GC 30/L.4, in the amount of US\$67.49 million for IFAD as well as US\$5.687 million for the Office of Evaluation, determined on the basis of a rate of exchange of EUR 0.786/US\$1.00; and

Decides that in the event the average value of the United States dollar in 2007 should change against the euro rate of exchange used to calculate the budget, the total United States dollar equivalent of the euro expenditures in the budget shall be adjusted in the proportion that the actual exchange rate in 2007 bears to the budget exchange rate.

