DEVELOPMENT COMMITTEE
(Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund On the Transfer of Real Resources to Developing Countries)

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Statement by Lennart Bage
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At the historic Millennium Summit, world leaders committed themselves to a goal that is as bold as it is essential: cutting extreme poverty by half by 2015. That target may seem ambitious. History, however, clearly proves that it lies well within our grasp. Despite the slow progress of recent years, one must only look to the decades between 1970 and 1990, when the world produced the most widespread retreat of poverty in history, to see the vast potential for progress. Inspired by the political will reflected in the Millennium Declaration, we now have an opportunity to turn that potential into reality. Member countries represented at the Development Committee have a key role to play in our collective realization of these goals.

Seizing this opportunity will require giving greater priority to rural development and agriculture and to policies, programmes and projects that empower the poor where they live. The vast majority of the extreme poor, roughly three-fourths, lives in rural areas. It is expected that, by 2020, the bulk of extreme poverty will still be concentrated in the countryside, where people depend overwhelmingly on agriculture and related activities for their survival. Investments in rural and agricultural development are not only critical to the rural poor, but also benefit those living in urban areas. By increasing food supply, and reducing migration, advances against poverty in rural areas help mitigate urban poverty. By promoting broad-based rural growth, we will indeed reduce poverty and create equitable development. Rural poverty alleviation and agricultural development can be particularly powerful tools for achieving the 2015 targets. Despite this, between 1987 and 1998, the amount of development aid directed to agriculture in low-income countries shrank by over forty percent.

For twenty-three years, IFAD has focused directly and exclusively on poverty alleviation in rural areas. Time and time again, that experience has pointed to a central truth: the rural poor are hard-working and innovative experts in their own circumstances. This firmly establishes them as the agents of change who hold the keys to poverty alleviation. As a result, it is not the task of development institutions to lead the rural poor in cutting poverty in half. Rather, it is our role to remove the obstacles that have prevented them from doing so themselves.

In this context, the status quo cannot be an option. The poor can no longer be seen as objects of development, but rather as the prime actors of it. We must assess not only their needs, but, first and foremost, their strengths. If we are to achieve the dramatic reductions in poverty that world leaders endorsed, we must empower the poor to participate in the globalized world by tearing down the barriers that have kept them from the benefits that modernization brings. This will require reshaping the forces that now limit the rural poor’s access to assets – both tangible and intangible ones. Agrarian reform, for example, can provide the rural poor with direct control over the land, water and financial resources needed to address the mechanisms that cause and reinforce poverty. Similarly, linking the rural poor to markets, and enabling them to participate in the institutions that shape their lives, are essential dimensions of pursuing sustainable reductions in rural poverty. Perhaps most importantly, we must ensure that the rural poor can access the most vital of all assets: opportunity.

These are the lessons that IFAD has learned from the 578 projects and programs undertaken since its inception in 1978, and these are the messages captured in IFAD’s Rural Poverty Report 2001: The Challenge of Ending Rural Poverty. IFAD’s experience also points to one other vital lesson. Partnership will be essential for reaching the 2015 targets. To date, IFAD has invested USD 7 billion in efforts to empower the rural poor. Our impact, however, has been multiplied many times over by the contributions of our cofinanciers and domestic partners. Their support...
has enabled us to channel a total of USD 20.4 billion worth of projects toward rural poverty alleviation, reaching about 250 million people.

The sustainable alleviation of poverty and the achievement of the 2015 goal will demand continued partnership and collaborative action. Certainly, this should involve member countries, international financial institutions, and the United Nations system. Above all, however, it is the partnership with the rural poor themselves that will be pivotal. The Millennium Declaration demonstrates that we have the will to halve poverty, and experience has shown us the way. All that remains is for us to walk the path that leads to our goal. We at IFAD look forward to moving ahead with all of our partners, particularly the rural poor. Together, we can not only reach the 2015 target, but also achieve the larger goal that we all share: a world without poverty.

Thank you.