Statement by

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Mr. Chairman,

We meet here a little more than a week after the largest gathering in history of world leaders, the 2005 World Summit. These leaders, faced with the sobering assessment that many countries are not on track to achieve the Millennium Development Goals (MDGs), strongly reaffirmed their determination to achieve the goals in a full and timely fashion. The preparations for the Summit created an unprecedented, unified, global momentum in favor of more robust, targeted, and strategic action to end poverty, along with expanded resources, and measures to ensure effectiveness and accountability. The challenge, going forward, is to accelerate and sustain this momentum over the next ten years.

The fact that poverty is concentrated in rural areas, where it disproportionately affects women and indigenous peoples, is coming into sharper and sharper focus in our common understanding of the global dimensions of the problem. There is a gap, however, between the fact of rural poverty and existing poverty reduction policies, priorities, and investments. The affirmation by world leaders at the Summit of the need to integrate rural and agricultural development into national and international policies is of fundamental importance in this regard.

National and international policies establish the context within which poor rural producers and entrepreneurs make their livelihoods. To ensure that such policies benefit poor rural communities, they need to address the barriers that place economic opportunities -- including the benefits of economic growth -- out of the reach of those communities. Specifically, they need to provide for secure access to land and water for agricultural production; support natural resource management and conservation; build and ensure access to financial services for investment and savings; and expand access to markets, information, and technology. They also need to address social factors that perpetuate exclusion and discrimination.

To ensure that national and international policies include measures that enable the rural poor to increase their incomes and improve their well-being, IFAD is strengthening its own rural poverty assessments, fortifying the capacity of developing countries, seeking the integration of agricultural and rural development in Poverty Reduction Strategy Processes (PRSPs), and strengthening the capacity of the organizations of the rural poor to participate in policy processes.

To strengthen our own strategic interventions, we are improving the quality of our Country Opportunity Strategy Papers (COSOP)\(^1\) to provide a better countrywide appraisal of the characteristics and causes rural poverty, as well as priorities for program initiatives. While we

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\(^1\) A COSOP is an instrument for making strategic choices about IFAD operations in a country and identifying opportunities for IFAD financing. Its central objective is to ensure that IFAD country operations produce a favorable impact on poverty.
have always operated on the basis of country ownership and close collaboration with national development partners, we are now expanding our focus on strengthening the capacity of developing country actors to design, manage, and evaluate effective rural poverty strategies, policies, and programs.

Several reviews of first generation PRSPs indicate that they have often failed to incorporate rural dimensions of poverty reduction. Where the rural sector is integrated, the strategies have not focused on the livelihoods of rural poor people, nor have they taken an intersectoral approach to rural development. To remedy this situation, IFAD is joining with the World Bank, other donors, and farmers’ organizations for an action-research initiative to identify specific measures to sharpen the rural focus within PRSP. At both the national and international levels, IFAD is working to strengthen the capacity of organizations of rural poor people to participate in policy dialogue and priority setting. In IFAD’s experience, sustainable rural poverty reduction cannot be achieved without this empowerment of poor people and their organizations.

Attention is already shifting ahead to the December ministerial conference of the World Trade Organization in Hong Kong, with pressure mounting to bring the Doha Development Round to a successful conclusion. The global trend toward trade liberalization presents particular challenges for the rural poor, who risk further impoverishment if they are unable to meet these challenges. It also provides new opportunities, whose accessibility to the rural poor depends on their capacity to capitalize on them. To contribute to reducing poverty where it most commonly exists – in rural areas -- aid for trade programs need to be highly targeted on small-scale farmers and entrepreneurs. To achieve this, IFAD is strengthening the business capacity of the rural poor and their organizations: helping them to understand how markets work, how to gear their production to the demands of potential buyers, how to access markets, and how to negotiate better with private sector intermediaries. It is also supporting innovative approaches to technical and advisory services for the rural poor and developing partnerships with the private sector to leverage additional investment and knowledge.

With respect to the Heavily Indebted Poor Country (HIPC) Debt Initiative, IFAD has committed the required debt relief to all 27 countries that have reached their decision point. Total commitments to date stand at SDR 190 million (USD 280.5 million) in NPV terms, which amounts to SDR 291.8 million (USD 431.1 million) of debt-service relief in nominal terms. IFAD funds its participation in the HIPC through external contributions and from its own resources. IFAD anticipates a potentially major increase in its HIPC costs as a result of the extension of the sunset clause and the decision to allow additional countries to join the initiative. IFAD appreciates the consideration that has been given to its request to access the World Bank-administered HIPC Trust Fund. We look forward to presenting a paper detailing IFAD’s institutional exposure at the forthcoming technical meeting of the HIPC Trust Fund and we are hopeful that a decision will be reached to grant IFAD access to the Trust Fund resources.

IFAD is fully committed to efforts to harmonize development policies, practices, and procedures. In this regard, I am pleased to report the approval in April by IFAD’s Executive Board of a Policy for Sector Wide Approaches for Agricultural and Rural Development. The policy provides for IFAD’s collaboration to build the basis for and participate in SWAps in countries where the government has an interest in such an approach. It anticipates that IFAD
will contribute value to the SWAp primarily through engagement in policy dialogue in areas of
critical importance for rural poverty reduction and through technical and operational reviews of
progress achieved and investment activities planned.

We are living in an historic moment in which the world community has collectively
acknowledged that is possible to massively reduce poverty and hunger and has pledged its
resources, time, and talent to the endeavor. Let us sustain the momentum that has brought us to
this point and fulfill the task that history has assigned to us so that, in 2015, we can look back at
what has been accomplished and know that the result is a more peaceful, secure and just world
for all.