

An Integrated Approach to Rural Development Dialogues at the Economic and Social Council

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Executive Summary

The 54-member United Nations Economic and Social Council (ECOSOC) serves as the central forum for discussing international economic and social issues, and for formulating policy recommendations addressed to Member States and to the United Nations. It makes or initiates studies and reports; makes recommendations on international economic, social, cultural, educational, health and related matters; and promotes respect for, and observance of, human rights and fundamental freedoms. Subsidiary bodies, commissions and committees of ECOSOC carry out its year-round work. ECOSOC strengthens cooperation within the UN system, coordinates the work of its functional commissions and the specialized agencies and consults with non-governmental organizations.

A substantive session of the Council is convened annually in July, and supplementary formal meetings as well as informal panels on topical issues are held throughout the year. The session includes a High-Level Segment, at which national cabinet ministers and chiefs of international agencies and other high officials focus their attention on a selected theme of global significance. ECOSOC devoted its 2003 High-Level Segment to the topic of promoting an integrated approach to rural development in developing countries for poverty eradication and sustainable development.

This book is a compilation of the presentations, issues papers, summaries, and keynote speeches that constituted the High-Level Segment and the two preparatory meetings that preceded it.

Chapter One, “Fundamentals of an Integrated Approach,” collects articles from all three gatherings that address the themes, terminology, and central problems surrounding integrated rural development. Chapter Two, “Agriculture and Rural Development,” covers the range of issues affecting the agricultural sector, including sustainability, productivity, the possibility for a Green Revolution, agro-industry, and the importance of smallholder farming. Chapter Three, “The Environment and Rural Development,” highlights the central role that natural resources, and the wise use of those resources, will play in any successful development efforts. Chapter Four, “Market Access and Rural Development,” explores the economic and trade-related features of development, including the trade and export of commodities. Chapter Five, “Health and Education,” tackles a range of inter-connected topics such as HIV/AIDS, the importance of educating girls, and reproductive and population issues. Chapter Six, “Culture and Work,” opens with a treatment of gender as an organizing

cultural framework and then considers labour productivity, cooperatives, slums, and crime.

In the appendices, the reader will find the high-level statements presented at the meetings, the contributions of the NGO representatives, the Report of the Secretary-General, and the ECOSOC Ministerial Declaration.

Glossary of Acronyms

CAP	Consolidated Appeals Process
CBD	Convention on Biological Diversity
CBO	Community Based Organizations
CCA	Common Country Assessments
CCD	United Nations Convention to Combat Desertification
CEB	Chief Executives Board for Coordination
CEDAW	Committee on the Elimination of All Forms of Discrimination Against Women
CSD	Commission on Sustainable Development
DESA	Department of Economic and Social Affairs
DFID	Department for International Development (UK)
ECOSOC	Economic and Social Council
EFA	Education for All
FAO	Food and Agriculture Organization of the United Nations
GATS	General Agreement on Trade in Services
GEF	Global Environment Facility
GRIPP	Global Review and Inventory of Population Policies
GSP	Generalized System of Preferences
HLCP	High Level Committee on Programmes
ICJ	International Court of Justice
ICPD	International Conference on Population and Development
ICT	Information and Communication Technologies
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILO	International Labour Office
IMF	International Monetary Fund
ITC	International Trade Centre
IUCN	International Union for Conservation of Nature and Natural Resources
IUF	International Union of Food, Agricultural and Allied Workers
LDC	Least Developed Country
LDF	Local Development Fund
NGO	Non-Governmental Organization
ODA	Official Development Assistance
ODCCP	Office for Drug Control and Crime Prevention
OECD	Organization for Economic Co-operation and Development
PRS(P)	Poverty Reduction Strategies (Papers)
SPS	Sampling Parameters for Summary Statistics

TBT	Technical Barriers to Trade
TRIPS	Trade Related Aspects of Intellectual Property Rights
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCED	United Nations Conference on Environment and Development
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDCP	United Nations International Drug Control Programme
UNDP	United Nations Development Programme
UNECA	Economic Commission for Africa
UNECE	Economic Commission for Europe
UNECLAC	Economic Commission for Latin America and the Caribbean
UNEP	United Nations Environment Programme
UNESCAP	Economic and Social Commission for Asia and the Pacific
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UN-HABITAT	United Nations Human Settlements Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNIC	United Nations Information Centre
UNICEF	United Nations Children's Fund
UNICRI	United Nations Interregional Crime and Justice Research Institute
UNIDIR	United Nations Institute for Disarmament Research
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNODC	United Nations Office on Drugs and Crime
UNRISD	United Nations Research Institute for Social Development
UNSO/UNDP	Office To Combat Desertification and Drought
USD	US Dollar
WFP	World Food Programme
WFS:fyl	World Food Summit: Five Years Later
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization
WTO	World Trade Organization

An Integrated Approach to Rural Development

Dialogues at the Economic and Social Council

Introduction

It seems almost self-evident that in this age of globalized trade and information, an integrated approach to development is the only possible course. Any successful development must take into account the social, cultural, economic, environmental, and geographic realities that shape the lives of people all over the world.

The idea of holistic development is not a new one. But the development efforts of the 1970s and 1980s were often hampered by a “one-size-fits-all” mentality, prescribing reforms from a centralized perspective, without regard for the territorially specific needs of a given population or community. In addition, they tended to keep the sectors discrete—agricultural development encompassed a broad range of components, from infrastructure to technology to skills enhancement, but it did not benefit from coordination within, for instance, the health or education sectors. The new model of integrated development recognizes no such barriers.

In this book, the phrases “vicious cycle,” and unfortunately, less frequently, “virtuous cycle” recur, in different contexts and in reference to different issues. They are useful visual images, ones that emphasize the necessity of an integrated approach. Poverty is perpetuated by poor health, and poor health is perpetuated by poverty. When a girl is kept from attending school, she cannot learn the life skills needed to protect herself against HIV/AIDS, and in many cases it is because she has to stay home and care for a family member infected with the disease that she cannot attend school. A family may work their land in a way that is harmful to the environment because they cannot afford the technology inputs that would allow them to work in a sustainable manner, but when their land is depleted; their livelihood will become even more precarious. Unfair or un-enforced land policies also may keep them from investing in sustainable agricultural practices, which, in turn, undermines their economic and nutritional security. And a family struggling to feed itself is less likely to be in the position to demand that the state protect its rights to the land.

These somewhat simplistic scenarios illustrate the fundamental value of a holistic approach to development. Without it, well-intentioned reforms and investment in one sector risk being squandered because they are not supported by measure in other sectors. Pouring money in to schools, for instance, without concomitant efforts in HIV/AIDS support and treatment, will not help the girl isolated at home, caring for her sick parents.

The concept of an integrated approach refers not only to its multi-sectoral nature but also to the broad range of actors involved. International non-governmental organizations (NGOs); the United Nations and its agencies; multilateral financial institutions like the WTO, World Bank, and IMF; regional associations; private sector donors and investors; local governments; communities; families; and individuals ‘ all have a role to play in integrated development efforts. The challenge, of course, is to coordinate the efforts so that they complement, not contradict each other.

In the end, the local people, those who are affected by the development, must be allowed to take the lead in directing, implementing, and evaluating the projects. Local ownership is the goal toward which all the other players must be working.

Ideally, every development effort would take into account the perspective of all actors and all sectors, but in practice, of course, this is impossible. Integrated development should be seen as a conceptual framework rather than as a policy constraint. Several of this book's contributors emphasize that casting too wide a net may be counterproductive and discouraging. Development partners must strike a balance between being conscious of the complexities and broad implications of their actions and remaining focused on targeted, well-planned initiatives.

Millennium Development Goals

In September 2000, the UN Member States adopted the Millennium Declaration, which contained eight benchmarks aimed at improving the well-being of people living in the developing world. Together, these Millennium Development Goals (MDGs) provide a framework for integrated development. While they do not provide specific policy guidelines—leaving those up to individual countries, where development efforts should be rooted—they do articulate general targets toward which countries throughout the developing world can strive.

The first MDG calls for the eradication of extreme poverty and hunger, specifically, to reduce by half the proportion of people living on less than a dollar a day (currently 1.2 billion) and also the proportion of those who suffer from hunger (800 million). The second calls for universal primary education for boys and girls. The third aims for gender equality and the empowerment of women, with an emphasis on education and eliminating the gender disparity in primary and secondary schools. The fourth MDG aspires to reduce by two-thirds the mortality rate of children under five, and the fifth, which is closely linked, aims to reduce the maternal mortality rate by three-quarters. The sixth MDG calls for renewed efforts to halt and reverse the spread of HIV/AIDS as well as malaria and other diseases. The seventh addresses the issue of environmental sustainability, calling on participating countries to integrate the principles of sustainable development in national policies and work to protect natural resources. This MDG also aims to reduce by half the proportion of people lacking sustainable access to safe drinking water and to improve the lives of slum dwellers.

The first seven MDGs are clearly predicated on an integrated approach to development, for only with advances in all the areas simultaneously will true, lasting progress be possible. The eighth MDG also depends on an integrated approach to development, this time in terms of the means of enacting the change. The eighth MDG calls for the growth of global partnerships for development. The partnerships will include a variety of players addressing a variety of issues. In particular, it calls on the partners to develop an open trading and financial system that is rule-based, predictable, and non-discriminatory. Good governance, on the national and international levels, is indispensable in this process. Global partnerships should pay close attention to the needs of the least developed countries (LDCs) and small island developing states (SIDS), providing them with tariff- and quota-free markets for their exports, cancellation of official bilateral debt and other forms of enhanced debt relief, and more generous official development assistance

(ODA). In cooperation with the developing countries themselves, the global development partners should promote decent and productive work for youth, and strive, with the private sector, to provide developing countries with the needed pharmaceuticals and technologies in an affordable manner.

Global partnerships take different forms and can include multilateral/bilateral development agencies, inter-governmental agencies, non-governmental organizations (NGOs), and the private sector. Examples of global partnerships are the Consultative Group on International Agricultural Research (CGIAR), the World Agriculture Forum (WAF), International Alliance against Hunger, the Global Water Forum, and International Taskforce for Commodities Price Risk Management.

The Member States pledged to meet the MDGs by the year 2015. Unfortunately, most countries are falling dangerously short of the progress they need to make in order to fulfill this promise. By some measures, the developing world as a whole would have to increase the rate of its improvement fourfold in order to reach the goals. Still, some countries are on course to meet some of the goals –the global community must refocus its energy and learn from the success stories.

The MDGs and Rural Development

The MDGs do not make specific reference to particular countries or populations, but sheer numbers require that development efforts focus in certain areas. Of the 1.2 billion people who live in extreme poverty, on less than one dollar a day, 75% live in rural areas in the developing world. Rural development is therefore absolutely essential to achieving the MDGs. Currently, only 25% of major donor portfolios is dedicated to rural areas. This level represents a decline in overall aid to rural areas. In 1988, bilateral ODA for agriculture stood at USD 4.9 billion, and in 1999, it had fallen to USD 2.5 billion.

The attention of the international development community was directed away from the rural sector in the 1990s for a number of reasons. Traditionally, some policies have been constructed around a particular vision of progress, in which rural, agricultural society is seen as a stepping stone toward modern, industrial development. According to this model, smallholder peasant life is a transitional mode on the way to waged labor. But this model does not necessarily reflect the reality of much of the developing world. It is true that the overall trend is toward urbanization, but the movement is slow, and the majority of the extreme poor will continue to live in rural areas for many years to come. Agricultural development must therefore form a cornerstone of any integrated development efforts.

In some ways, it is more difficult to help people in rural areas than in urban areas because they are so much more sparsely distributed. A school in the rural hinterlands, for instance, might service a couple of dozen children, whereas a city school could teach hundreds, or thousands. Governments tend to be located in urban areas, and the officials are more likely to address the needs of their local constituents, especially with limited resources. But the people living in the rural areas need to have their basic needs met, and so it is time for the global partnerships-from UN agencies all the way down to mothers and fathers living in villages-to be mobilized in creative ways to improve the lives of rural people.

The trend of neglect toward rural populations is, thankfully, starting to reverse. Key to making the aid to rural areas effective will be giving agency to the recipients of the aid. To help achieve this, development efforts should follow a generally decentralized model, one that capitalizes on the experiences and support of large organizations but is tailored to individual locales. Successful development efforts will be demand-driven; one way to facilitate this is to incorporate pre-existing local organizations such as farm cooperatives, water-user groups, and religious and community associations.

Sustainability and Inclusiveness

For development to be sustainable, it must be inclusive, both in terms of the people who serve as active designers and participants and also the ultimate beneficiaries. It must put in place practices and infrastructures that are renewable and adaptable. A focus on good governance is key to enabling marginalized rural people to negotiate with the state and the private sector in order to set a new political and economic agenda. Decentralized policy-making is essential in that respect, as is the willingness to scale-up successful initiatives carried out at the local level.

At the macroeconomic level, pro-rural policies should encompass exchange rate, fiscal, and credit policies as well as the promotion of agricultural research and rural infrastructure. Balanced programmes of rural industrialization and agro-services can provide for non-farm activities and improve the living conditions of the poor whose access to land is limited. In addition, sustainable rural development will be possible only if national policies in the developing world are complemented by changes in developed world agricultural policy, where subsidies have reached USD 340 billion per year.

Access to science and technology also needs to be included in rural development strategies in order to improve the nutritional value of crops, reduce production fluctuation and increase productivity on small-scale farms in a manner appropriate to the ecosystem in which they operate.

Development efforts should promote environmental sustainability. Here, too, the empowerment of local people is vital. In many cases, stewardship of natural resources is an integral part of local customs and traditions; these traditions should be incorporated into environmental efforts to ensure maximal cooperation and success. A “Green Revolution” for Africa will be more likely to occur and to be “double green”-environmentally constructive- if the local people, those who are actually doing the farming, are involved at every step.

Empowering rural populations includes by definition a large number of vulnerable groups, including women, indigenous peoples, fisher folk, member of low castes, and ethnic minorities. Women in particular are responsible for a vast majority of food production, household work, and care work, and they must be included in designing and implementing the programmes that will enhance the security of their livelihoods. Education is a key lever for achieving gender equality and equity.

ECOSOC

The Economic and Social Council (ECOSOC) is comprised of 54 member governments, elected by the General Assembly for overlapping three-year terms. Fourteen seats are allocated to African states, eleven to Asian states, ten to Latin American and Caribbean

states, and thirteen to Western European and other states. ECOSOC coordinates the work of the 14 UN specialized agencies, 10 functional commissions, and 5 regional commissions; receives reports from 11 UN funds and programmes; and issues policy recommendations to the UN system and Member States.

Under the UN charter, ECOSOC is responsible for promoting higher standards of living, full employment, and economic and social progress; identifying solutions to international economic, social, and health problems; facilitating international cultural and educational cooperation; and encouraging universal respect for human rights and fundamental freedoms. In carrying out its mission, ECOSOC consults with academics, business sector representatives, and more than 2,100 registered NGOs.

It is this connection to the full range of development partners that makes ECOSOC uniquely qualified to address the topic of integrated rural development. The ECOSOC substantive session, held each July, brings together representatives from across the development spectrum, from national cabinet ministers to professors and from business leaders to NGO representatives. Chiefs and representatives from the various UN agencies also play a lead role in the proceedings.

This year, the topic of the substantive session was “Promoting an integrated approach to rural development in developing countries for poverty eradication and sustainable development.” This book has grown out of that conference and the two preparatory meetings held in anticipation of it, one in March and one in April. The March meeting, held in New York, provided an opportunity for brainstorming about the topic of integrated rural development and for proposing specific areas for further consideration. The April meeting, also held in New York, consisted of a panel discussion and a series of roundtables organized by UN agencies, funds, and programmes. The roundtables drew on the experiences of individuals involved in development in a range of capacities, from mining to education and from agriculture to microcredit.

The high-level segment itself, held in Geneva, also featured a series of ministerial roundtable discussions with similarly broad range of topics. As in the preparatory process, the high-level segment was able to capitalize on the strengths of ECOSOC, assembling a rich chorus of voices, each with a new and valuable perspective on the subject. The presentation, issues papers, summaries, and keynote speeches have been gathered and organized into topical chapters that will provide a useful overview of the topic of integrated rural development.

The Structure of the Book

Chapter One, “Fundamentals of an Integrated Approach,” collects articles from all three conferences that address the general topic of integrated rural development. These selections will expose the reader to the themes, terminology, and central problems that define the topic. Chapter Two, “Agriculture and Rural Development,” covers the range of issues affecting the agricultural sector, including sustainability, productivity, the possibility for a Green Revolution, agro-industry, and the importance of smallholder farming. Chapter Three, “The Environment and Rural Development,” highlights the central role that natural resources – and the wise use of those resources- will play in any successful development efforts. The articles in this chapter focus on various aspects of the environment, including water, forests, and energy.

Chapter Four, “Market Access and Rural Development,” explores the economic and trade-related features of development, including significantly the trade and export of commodities, which represents a key growth area in the developing world’s economy, and the potential offered by microcredit.

Chapter Five, “Health and Education,” tackles a range of inter-connected topics such as HIV/AIDS, the importance of educating girls, and reproductive and population issues. Not surprisingly, gender issues have a considerable presence in these discussions, and the gender concerns raised here are important concepts to consider in all rural development initiatives. Gender plays a vital role again in Chapter Six, “Culture and Work,” which opens with a treatment of gender as and organizing cultural framework. This article is followed by articles labor productivity, cooperatives, slums, and crime. In the appendix, the reader will find the high-level statements presented at the conferences, the contributions of the NGO representatives, the Report of the Secretary-General, and the Ministerial Declaration.

A paper addressing any one of the chapter subject areas could assert that its topic was the central issue facing integrated rural development. It could state without apology that no sustainable rural development would be possible without, for instance, a solid agricultural base, a protected environment, fair access to economic markets, a healthy and educated populace, or an understanding of the cultural and work practices of a community. In addition, many of the articles could find a home in more than one chapter. This is no accident. An integrated, holistic approach to development is appropriate exactly because there are so many overlaps among sectors.

■ Chapter 1

Fundamentals of an Integrated Approach

The essays collected in this chapter continue the process of introducing the concept of integrated rural development. They present principles and problems that will be explored with greater specificity in the subsequent thematic chapters. The first article, by Alain de Janvry, argues that development efforts can be successful only when they are premised on empowering the rural poor to improve their own lives. This idea of demand-driven development will recur in different contexts throughout the book. The second article, “The Paradoxes of Integrated Development” by Gordon Conway, articulates three contradictions inherent in many development efforts—contradictions that, again, resurface throughout the book—and suggests ways to re-conceptualize the problems. In his essay, Bruce Jenks focuses on the MDGs and their inextricable ties to rural development.

The three remaining articles consider integrated development in terms of the means of implementation—in particular, the importance of partnerships. Lennart Båge discusses specifically the partnerships with and among UN agencies; he provides a good overview of which agencies are involved in which development efforts. This may be helpful for a reader unfamiliar with the UN, as the agencies are a ubiquitous presence in the thematic chapters. Ibrahim A. Gambari introduces the New Partnership for Africa’s Development (NEPAD), and Judith Symonds discusses the role that global partnerships can play in rural development as a whole.

Achieving Success in Rural Development: Tools and Approaches for Implementation of an Integral Approach²

by Alain de Janvry, University of California at Berkeley

Posing the Problem of Rural Poverty and Rural Development for the MDGs

Rural development has been badly neglected—75% of world poverty is rural, but only 25% of the major donors' lending portfolios goes to rural development. Not only is the incidence of poverty much higher in rural areas, but so is the severity of the poverty. It is obvious that the MDG of halving world extreme poverty and hunger between 1990 and 2015 cannot possibly be reached without a special focus on rural poverty reduction. Rural areas also systematically lag behind urban areas in every other MDG area: education, the status of women, child mortality, maternal health, the incidence of endemic diseases, and environmental stress.

One reason that the world has neglected rural development is that past efforts at rural development have often met with mixed success. Those development agencies that do invest in rural anti-poverty programs have directed their money to welfare transfers rather than to raising rural incomes, which is far more difficult. The modest decline in the share of total poverty that is rural has been due more to urban migration than to improvement in rural incomes—in other words, ill-prepared rural migrants have been displacing poverty to the urban sector.

But, shifting the problem from one sector to another accomplishes nothing. Income generation by the rural poor themselves needs to be placed squarely back on the poverty-reduction agenda in order to achieve the MDGs. Social expenditures in education, health, and the status of women need to be increased in rural areas and made more efficient.

There are some reasons for optimism, including major changes that have occurred in the last 10-15 years:

- Significant progress has been made toward democracy, decentralization, and the thickening of civil society organizations in most of the developing world, with new instruments for rural development.

² From ECOSOC brainstorming session, 24 March 2003.

- Greater degrees of freedom in experimenting with alternative approaches are possible now that the Cold War is over, with the possibility of giving a more explicit role to the poor themselves and their organizations as direct agents of change.
- Increased importance is given to environmental issues that have strong linkages with rural poverty.
- Donors are more willing to coordinate their investments and allow some modest increase in foreign aid budgets.

Why are They Poor?

To raise levels of rural well-being, one must understand the process through which it is generated. This, in turn, will help to identify entry points where rural development interventions might make a difference in people's lives.

A complex web of factors determines a person's well-being, including financial and resource assets, capabilities, environmental constraints, family situations, and education, among others. The purpose of rural development is to enhance at least some of these areas. Understanding the actors and how they define their livelihood strategies is the cornerstone for the formulation of any approach to rural development. This is particularly important if rural development is to reach the poorest of the poor, including female-headed households, pastoralists in marginal zones, forest dwellers, artisanal fishermen, and indigenous people.

An important dimension of well-being is income and the consumption expenditures that it affords. Insufficient income implies poverty. Uncertain income implies vulnerability, often with irreversible consequences, such as the fire sale of productive assets, or taking children out of school in response to an income shock, or hunger spells that affect physical and mental development. And unequal incomes undermine participation and willingness to contribute to social undertakings. But there are other dimensions to well-being that are tied to public goods, such as social development, sustainability in the use of natural resources, and rights. The term "poverty" is used to define income deficit, and reducing poverty should be a primary objective of rural development. Improving overall well-being, however, implies balance in improving all the different components of a person's life.

Following the livelihoods approach, a household's assets determine its capability to generate income. Assets include natural capital (land, water, trees), physical capital (tools and equipment), human capital (education and skills),

financial capital (liquid assets such as livestock and bank deposits), and social capital (relations of trust with others and membership in organizations). The value of a given asset needs to be assessed according to gender and age, since household endowments may not be equally accessible to all members. Hence, a single policy reform will have different effects on different categories of rural poor. Regardless of the category, though, no one can climb out of poverty without access to assets of some kind, particularly land and education.

Getting rural households out of poverty often requires either increasing their access to land or diversifying their off-farm activities—introducing “pluriactivity.” To survive, the rural poor often need diversified sources of income, combining agriculture with off-farm activities. This holds true even in contexts like the Sahel where the local non-farm economy is underdeveloped, pushing households into long distance seasonal migration.

The Importance of Context

Good asset endowments in an unfavorable context will not help households escape poverty. Access to land, for instance, is only effective in getting households out of poverty if they are able to complete effectively, which depends on the nature of the markets, institutions, public goods, and policies where they operate. The international price level for tradable agricultural commodities is important, and it is affected in particular by OECD farm policies as well as trade protection between developing countries. The national policy environment, both macro (growth, real exchange rate) and sectoral (trade policies, subsidies) also has a profound impact, as does the nature and quality of governance, infrastructure, and research at the national and local levels. Success also depends on the performance of markets, particularly in terms of competitiveness, transaction costs, and the dependability of financial institutions.

There are Several Roads Out of Poverty

The way out of rural poverty can be found by traveling along several alternative roads. Most frequent has been migration of the rural poor to the urban environment. But, if these migrants are not prepared to compete on the urban labor market, this may only result in displacing poverty from rural to urban environments. Agriculture offers another road, though growing traditional staple crops on small expanses of land will never generate enough income to erase poverty. Smallholders should look instead to the opportunities offered by the “new agriculture,” with its high-value-added crops, remunerative market niches, and superior quality and food safety. With improved certification and product labeling, small farmers can seek contracts with supermarkets, agroindustries,

and agroexporters. Research has an important role to play in establishing these opportunities, and its international public goods dimension requires efforts like those undertaken by CGIAR.

Many rural people will find important income sources through off-farm activities, including employment in small and medium enterprises, self-employment in microenterprises, and remittances from household members. Combining agriculture and off-farm activities leads to true pluriactivity, which is particularly important in environments that are less conducive to the “new agriculture.” Pluriactivity offers many advantages to participating households: while individual household members tend to be specialized in one activity (the man in farming, for example, the wife in commerce, and the daughter in free-duty-zone industrial employment), the household as a totality is a diversified enterprise, engaged in a portfolio of activities that match each member’s skills while together providing risk diversification.

Self-help is definitely the ideal. But it is important to remember that transfers also offer a road out of poverty for some people, especially those unable to work or exposed to uninsured shocks.

From “Integrated” to “Integral” Rural Development

The approach to rural development that gradually emerged in the 1990s turned upside down the old versions of integrated rural development. The integrated approach that prevailed throughout the 1960s, 1970s, and into the 1980s, delivered services to the rural poor in a top-down fashion, trying to integrate the many public services required for poverty reduction through the role of an implementation agency, usually the Ministry of Agriculture, the Ministry of Social Welfare, the Office of the President, or a parastatal agency outside the ministerial structure. It principally focused on agriculture, seeking to extend to smallholders the benefits of the Green Revolution.

This approach, which met with limited sustainable success, was undermined by national policies throughout the developing world that de-scaled the role of the state. By contrast, what can be called the “integral rural development” approach has evolved, through experimentation with rural development projects pioneered by agencies such as IFAD, the Inter-American Foundation, and innovative NGOs. It was adopted and perfected by the World Bank³, the Inter-American Development Bank, the Inter-American Institute for Cooperation in Agriculture, and the UK’s Department for International Development.

³ See, “Reaching the Rural Poor: An Updated Strategy for Rural Development,” 2002.

This approach is a process as opposed to a blueprint, characterized by pragmatic adaptation to local conditions. In spite of its fluidity, though, it rests on several fundamental principles that contrast it to the old version of the integrated approach, most particularly in emphasizing decentralization, participation and collective action, devolution of managerial functions to communities, a territorial as opposed to a sectoral approach, payments for environmental and social services, coordination mechanisms with macro and sectoral policy, and the reconstruction of a set of rural institutions to compensate for the de-scaling of the role of the state.

How can this approach help define entry points for investment in rural development? It is key to maintain an appropriate balance between types of investment. In general, however, investments in programs that promote income generation and social development should replace those that provide cash transfers to individuals with the capacity to work.

Programs to increase access to land for the rural poor, by granting formal or informal titles to individuals or communities, remain both fundamental and controversial. Many countries have introduced constitutional constraints on land use, requiring minimum thresholds of land productivity or imposing ceilings on land ownership. Farms that do not satisfy these requirements are subject to expropriation. This is the rationale of the Landless Workers' Movement (MST) in Brazil when confiscating under-used haciendas. Other countries such as Bolivia have tried to revisit the legality of dubious land titles, in order to reclaim large tracts of land that could be distributed to the poor.

Public lands or lands improved by public irrigation projects can also be used for settlements. Large programs have been put into place in Brazil (Cedula da Terra), Colombia, South Africa, and at a smaller scale in many countries through land funds, sometimes managed by NGOs. These programs are still at experimental stages and in much need of analysis. During this analysis, it is important to remember that historical experience has shown that it is easier to provide land access than to promote the sustainable competitiveness of beneficiaries. This is why so many hard-fought land reforms have been effective in promoting access to land, but not in reducing poverty. The market test for success of these programs must therefore be poverty reduction itself.

Poverty is inherited if parents do not educate their children and do not provide them with good health and nutrition. To break this vicious circle of inheritance, many countries have introduced conditional cash transfer programs, where parents (usually mothers) receive payments in exchange for sending their children to school and to health visits. Programs of this type are in place

in Mexico (Progresá), Brazil (Bolsa Escola), Honduras, Nicaragua, Argentina, Costa Rica, Jamaica, Colombia, and Turkey. These programs have been successful in enhancing school achievements, but they are expensive. It is important, therefore, to target those children who would most likely not attend school without the transfers. This includes mainly children of poor parents but also children of non-poor parents at risk of not going to school because their parents are not educated or they live far away from a school. Thus, true affirmative action can be achieved.

Enhancing Capacity

The profitability of agriculture worldwide is being undermined by trade restrictions on the markets of OECD countries and by the huge subsidies given to their farmers—\$340 billion per year compared to a foreign aid budget of \$60 billion. Agricultural trade is also restricted by protection on developing country markets. Clearly, rural development and rural poverty reduction cannot succeed under these conditions. These price distortions must be eliminated and agricultural policies in the industrialized countries made consistent with the MDG of poverty reduction. In the transition toward a new world order for agriculture, peasantries need to be given protection, subsidies, and full payment for the environmental and social services they provide.

Rural development initiatives and agricultural policies are often contradicted by other policies affecting the exchange rate, interest rates, the pricing of industrial goods, and effective demand for rural goods. A useful concept for this is the Canadian practice of a “rural lens,” whereby any national policy initiative must be scrutinized from the point of view of its potential impact on rural areas and the well-being of rural people. Many costly investments in rural development have been wasted because they were contradicted by policy initiatives in other sectors of economic activity. The concept of a rural lens is a simple and effective practice that can help avoid costly mistakes and allows rural people to challenge adverse policy initiatives.

It is widely agreed that economic growth is essential for poverty reduction. Yet, it is also well known that aggregate economic growth has had only a modest impact on rural poverty. This is because growth all too often does not create new opportunities in the regions where the rural poor are located. Endowing the poor with assets is of no consequence on rural poverty if they are not located in a context where growth offers the people new employment and investment opportunities. This is the purpose of regional development. Growth in the rural hinterlands depends on rural-urban linkages centered on second-

ary and tertiary cities. These linkages will promote regional and municipal associations designed for specific economic projects, such as watershed development projects that cut across municipalities or the development of regional specialty products. To be successful in their economic initiatives, regions need to endow themselves with institutions that address consultation and coordination, planning, and promotion.

Only with regional employment and investment opportunities can rural development efforts help the poor benefit from new sources of income. This regional growth pattern may cut into centralized growth in the metropolitan areas, but hopefully the damage will be minimal if the plan is properly studied and implemented.

Once regional development creates investment and employment opportunities, rural development partners must intervene to help the rural poor seize these opportunities. IFAD's Community Driven Development is an example of a demand-led approach that allows the rural poor, their organizations, and their communities to identify and manage targets for investment. A demand-led model will help to enable communities while avoiding the capture of benefits by local elites.

It is also important to enhance the ties between the poor and non-poor populations. While welfare transfers should try to exclude the non-poor, income generating programs can help the poor benefit from the non-poor's capacity to identify new markets, take risks, negotiate contracts, explore new technological alternatives, and exercise influence. The Petrolina development in Brazil is an excellent example, where the non-poor opened distant markets and negotiated contracts with distributors for the fruits and vegetables they and the poor produce. This could never have been accomplished by the poor alone. Poor-non-poor associations can be established through joint ventures, subcontracts, and employment opportunities in the local businesses of the non-poor. Organizations of the poor can help them develop countervailing power and appropriate a fair share of the value created through these associations.

Transfer Programs for Social Protection

Many individuals are unable to generate income due to age, disabilities, and disease, or because they are the victims of uninsured income shocks. Only transfers can help them escape poverty. Safety nets and social security systems are consequently essential. Orphans of parents who died of AIDS need transfer programs, and unemployment insurance is necessary in unstable developing economies.

In the end, the only sustainable way of reducing rural poverty is to allow the rural poor to be agents of their own change. This requires social incorporation, full citizenship rights, and the ability to voice demands and bargain for better deals, both in the market and in the political arena. Since the rural poor have historically been the most voiceless and the least represented segment of civil society, this is a sharp departure from past status. And this is all the more the case for the poorest of the poor. It requires the promotion of organizations representing the rural poor, owned by them, and servicing their needs.⁴

⁴ Innovative projects of this type have been pursued by IFAD and more recently the World Bank (e.g., CLCOP in Senegal and CPCE/OP in Burkina Faso).

The Paradoxes of Integrated Development⁵

by Gordon Conway, President, Rockefeller Foundation, New York⁶

The forces of globalization have the potential to make everyone better off, to eradicate hunger and poverty. But equally, they may help the rich get richer and the poor get poorer. Achieving the desired results depends on developing economic, political and social institutions—globally, nationally, and locally—that will spread the benefits more equitably.

The UN has strengths that are crucial to the task: it represents all the countries of world and all human endeavors in science, technology and education; economic development; agriculture; health; and issues of gender and human rights. All of these sectors are addressed by the MDGs. The challenge is how to carry out an integrated development that incorporates all these areas.

The First Paradox

In general, the forecasts for the global MDGs are very pessimistic. According to a recent article by the UNDP's Jan Vandemoortele, success is realistic, globally, for only two of the goals.⁷ One is reducing poverty, where the results are dominated by China's performance, and the other is increasing water supply, where the criteria are not very precise.⁸

The Human Development Report's review of progress is somewhat more optimistic, because it is clear that at least some developing countries will achieve a significant number of the goals.⁹ Nevertheless, as a comprehensive recent review of progress towards the goals in Africa concludes, in spite of some significant progress in certain aspects of the MDGs, in certain countries, the MDGs are not going to be reached in most countries, barring drastic changes in a whole host of realms.¹⁰

⁵ From the ECOSOC brainstorming session, 24 March 2003.

⁶ The Rockefeller Foundation will be 100 years old in 2013, and the organization's focus, outside the USA, is on health, food security and education, primarily in Africa and Southeast Asia. It is almost exclusively an R&D organization that finds out how to achieve certain goals rather than implementing programs of action.

⁷ Vandemoortele, J., *Are the MDGs feasible?* Bureau for Development Policy, United Nations Development Programme (New York: 2002).

⁸ If the water supply had truly been improved, there would be an improvement in the under-five mortality rate, which there is not.

⁹ UNDP, *The Human Development Report 2002: Deepening democracy in a fragmented world* (New York, Oxford University Press, 2002).

¹⁰ Sahn, D.E. and Stifel, D.C., "Progress Toward the Millennium Development Goals in Africa," *World Development*, 31, 2002, pp. 23-52.

The goals are lofty, with widespread public appeal. But as the Secretary-General remarked to the General Assembly in July last year, “There is no autopilot, no magic of the marketplace, no rising tide of the global economy that will lift all boats, guaranteeing that the goals will be reached by 2015. They will only be reached if the right national and international economic conditions are achieved, and the necessary financial resources mobilized.”¹¹

Part of the problem is that stakeholders concentrate too much on the goals themselves, rather than their components. A good analogy is a jigsaw puzzle—the focus is on completing the puzzle, rather than on the component pieces, many of which are achievable in the time frame. In other words, even though the targets may not be met, significant progress is being achieved. For example, out of fourteen African countries four have reduced the numbers of children who are severely underweight for their age. Breaking down the problem still further, several African countries have been successful in increasing food production per capita.¹² There are thus some grounds for optimism. Even if progress to the MDGs is slow, focusing on the pieces of the puzzle rather than the whole provides a scale which agencies, governments and the general public can grasp.

The Second Paradox

The second, related, paradox is holism versus key levers. There is a great temptation in integrated development to take a holistic approach, to try and do everything at once. It is a temptation to which the UN often succumbs because of its structure and universality. The UN often produces excellent reports on, say, famine or water supply, that involve every agency and are fully comprehensive. But they are sometimes comprehensive to a fault, often failing to give prominence to the 5-6 key actions that need to be taken if famine is to be averted or water supply to be significantly improved.

To continue the analogy of the jigsaw puzzle, there is always a temptation in tackling a jigsaw puzzle to try and do everything at once, or to start with the edges, or fill in the sky or the landscape, rather than focusing on the key figures in the foreground. It is similarly tempting when an issue comes up to try and ensure that every aspect is covered—environment, gender, human rights,

¹¹ Secretary-General's Report to the General Assembly, “Implementation of the United Nations Millennium Declaration,” 31 July 2002. United Nations, A/57/270

¹² www.ers.usda.gov/data/maps/ShowMap.asp?Map=images/prod80-95.gif; Shapouri, S. and Rosen, S. (1999) Food Security Assessment: Why Countries Are at Risk. Agriculture Information Bulletin No. 754. 32 pp, September 1999.

security and so on. In some cases, though there are critical pieces that need tackling before addressing the whole.

The Rockefeller Foundation undertakes what is known as *Problématique Analyses*. Each analysis is a problem or a set of problems, embodying an implicit or explicit objective that is set in a context—economic, social, cultural, political, institutional and technological. The purpose of the analysis is to define the main obstacles to achieving the objective and the key points of leverage that will help overcome them. Also contained in the analysis is a clear articulation of assumptions and theories of change. It ends with a list of the expected outcomes and impacts.

Whether one uses this or a similar form of analysis, such as that underlying the production of Poverty Reduction Strategy Papers (PRSPs)¹³, the prime purpose is to identify the key points of leverage. And, as is clear from reviews of the first PRSPs, countries find this difficult. The papers are comprehensive but often lack a clearly defined list of the key priorities.¹⁴

Consider MDG 6, which aims to “halt and begin to reverse” the HIV/AIDS epidemic. Analysis quickly shows that this depends on preventing transmission of HIV. And here the key points of leverage are:

- Development of a vaccine;
- Development of microbicides;
- Provision of condoms;
- Promoting changes in sexual behavior; and
- Prevention of transmission from mothers to infants.

Care of those infected is clearly important. One cannot ignore the suffering and, indeed, treatment does help prevention. But to achieve MDG 6, development partners must focus on the mechanisms of transmission. Of course, underlying all these interventions is the need to mobilize the social and health care systems that will deliver them. Some might argue that mobilizing health care systems is the first priority, but experience suggests that the impetus, incentives, and support for such mobilization is often dependent on having products and services that promise dramatic benefits.

¹³ The World Bank has been spearheading the efforts to create Poverty Reduction Strategy Papers (PRSPs) for individual countries, papers which help codify development plans and which reflect the objectives of the MDGs.

¹⁴ Ames, B., Bhatt, G. and Plant, M., “Taking stock of poverty reduction efforts,” *Finance & Development*, June 2002, p 9- 12.

For another example, achieving universal female education is a component of the second MDG. The Rockefeller Foundation has been funding programs that address this topic through grants to FAWE (the Forum for African Women Educationists). One of the lessons learned is that a girl's experience in puberty plays a critical role in determining whether she will stay in school. One solution to this problem is the provision of ultra-cheap sanitary pads. As a first step, these are being imported from Vietnam, but efforts are now underway to set up cottage industries by NGOs or teacher training colleges or the schools to produce such pads.

When solutions to a problem are defined in terms of discrete interventions, their costs for R&D and implementation are in the millions rather than billions of dollars. Ideally, each intervention would have a champion, or a lead agency or donor. Most would involve public-private partnerships. A good example is polio eradication, a key puzzle piece in achieving reductions in under-five mortality, where the Rotarians have played such an important leading role. Another is the lead taken by the Carter Center in several health programs.

If instead of reporting on goals each year (which may prove a depressing exercise), we report on the progress of these key pieces of the puzzle for each MDG, we can give journalists, governments, NGOs, and the people themselves a sense of achievement and inspiration.

The Third Paradox

The third paradox is the conflict between top-down planning and bottom-up participation. Along with embracing global goals and holistic approaches there is a temptation to resort to top-down planning. In some respects this is appropriate. Global and national policies are keys to the success of integrated development. To cite an obvious and current example, the effects of the massive OECD subsidies to rich country farmers, now running at approximately a billion dollars a day, are having a devastating effect on developing world agriculture and therefore on integrated rural development and achievement of the MDGs.

There is little point in working hard to improve the lives and livelihoods of cotton farmers in Mali or dairy farmers in the Dominican Republic if, literally overnight, their livelihoods can be swept away by cheap cotton put on world markets by rich farmers in the southern states of the U.S. or subsidized milk powder exported by EU farmers. Here, a global, top-down change in policy is the only way forward.

A similar case can be made for improving global policies (including agreements and protocols) relating to aid, trade, debt, intellectual property rights, and peace and security. All of these have a direct impact on the success of integrated development programs.

There are, equally, arguments for improved policy making at the national level, in particular in investment strategies for rural development. Given limited budgets, countries have to allocate between primary, secondary, and tertiary education, or between hospitals and primary health care. More fundamentally, they need to decide on the relative emphasis they place on technological innovation, institutional innovation and human capital investment. Here the analyses of key points of leverage described above can be helpful.

In rural development, the Rockefeller Center emphasizes agricultural investment. This subject is highly contentious. There are those who argue that agriculture is the only significant source of economic growth in rural areas, particularly in Africa, and that it is therefore the economic base of rural development. Others argue for broad-based rural development as a precondition for agricultural growth. One consequence of the latter view, which prevails in the PRSPs, is that both governments and donors are investing much more in rural social services than agricultural inputs.

Whether one favors agricultural investment or a more diversified approach, it is vital that the reforms are informed by a good understanding of life “at the bottom,” where the poor and excluded people struggle to make a living. One of the values of the recent emphasis on Participatory Poverty Assessments has been the better realization by planners and policy makers that poor people are not handicapped only by low income. Physical and social isolation and insecurity, along with a lack of information, state support, power, and self-respect can be equally important.¹⁵

Part of the reason why many of the large scale Integrated Development Projects of the 1970s and 1980s were not sustainable is that they created “artificially favourable environments for service delivery. . . bypassing the public administration.”¹⁶ Without a buy-in or direct planning at local government level there was little hope for sustainable development. There is mounting evi-

¹⁵ Robb, C.M., “How the poor can have a voice in government policy,” *Finance & Development*, December 2000, p22-25; Narayan, D. et al. *Voices of the Poor: Crying out for change*, (Oxford: Oxford University Press, 2000); Narayan, D. et al., *Voices of the Poor: Can anyone hear us*, (Oxford: Oxford University Press, 2000); Narayan, D. and Petesch, P., *Voices of the Poor: From many lands*, (Oxford: Oxford University Press, 2002).

dence that democracies are the best enabling environment for economic growth, more resilient to shock, and capable of better distributional outcomes.¹⁷

But decentralization is no panacea for the poor. There is a dearth of suitably qualified personnel working at the local level, individuals who are as responsive to the needs and wishes of local people as they are to those of national governments. An interesting experiment to try and rectify this is being conducted at Makerere University in Uganda as part of the government's program of decentralization. The University is embarking on a large program of training young Ugandans for service in local government—in agriculture, health, planning, etc.—building into the curricula extended periods where the students spend time as interns in local government offices.

The development community has long embraced the notion of local participation, but far too often this has been rhetorical. For one reason or another, participation has been an exercise in consultation rather than in permitting poor people to become initiators. Some of that has changed with the invention of a wide variety of participatory tools and learning techniques. These can provide a genuine basis for dialogues between planners, experts, government, and non-government officials, on the one hand, and poor people on the other. When employed well, with forethought, care, and sensitivity, such dialogues result in genuine participatory development involving local communities and other stakeholders, not only in implementation and evaluation but also right at the beginning of the design process.

¹⁶ Farrington, J. et al, "Do Area Development Projects have a Future?" *ODI Natural Resource Perspectives*, no 82, (London: Overseas Development Institute, 2002).

¹⁷ Craig, D. and Porter, D., "Poverty Reduction Strategy Papers: A new convergence," *World Development*, 2003. pp. 31, 53-69.

Rural Development and the MDG's¹⁸

*by Bruce Jenks, Director, Bureau for Resources and Strategic Partnerships,
UNDP*

The MDGs provide three powerful tools with which to approach the complex task of integrated rural development. The first is data, the second is research, and the third comes from the frameworks that the MDGs offer for coherent programming.

The basis for informed decision making is information. The country-level MDG reports, produced in close to 100 countries, provide easily accessible, user-friendly data on progress toward the MDGs. It is important to emphasize that the MDGs do not constitute a development strategy. Development strategies are nationally owned and they must be debated in a national dialogue. Rather, the MDGs constitute a set of development outcome indicators. If the indicators do not improve as a result of a given strategy, then one can safely conclude that the strategy needs to be reviewed. Honest analysis of data will often mean that strategies are constantly being revised and improved.

There are plenty of examples of how powerful an instrument MDG data can be: some are even found in cabinet discussions and parliamentary debates. Vietnam is currently working from its second MDG report, which differentiates performance by province. Thus, the data goes to the heart of the reality of rural poverty. There has been an important progression in how the national reports are being prepared, moving from a UNDP phase to a country-led phase. This is essential if the data is to be integral to the dialogue itself.

Research, the second tool, is obviously very closely related to the importance of data. Only with honest, open research practices will the data be accurate and trust-worthy. Hopefully, the groups that have been convened under the Millennium Project will stimulate fresh thinking on research practices.

Thirdly, the MDGs provide a framework for coherent programming. Extensive work has already been undertaken to align the CCAs and the UNDAFs with the MDGs. UN country teams on every continent have been working together to align programmes behind the MDGs. The MDGs set clear goalposts for the PRSPs, a sign of the cooperation with the World Bank. By providing a coherent framework, the MDGs will act as catalysts to promote more consis-

¹⁸ From the ECOSOC ministerial roundtable discussion, "UN System Coordination for Rural Development," CEB/HLCP discussion, 30 April 2003.

tency and more focus on nationally-owned processes. Without such coherence and focus, the impact on the lives of the poor, and therefore the rural poor, will continue to fall far short of the international community's expressed ambitions.

The nineteenth-century British Prime Minister, Benjamin Disraeli, once said, "There are lies, damn lies, and statistics." With the benefit of over a century's hindsight, it is easy to sympathize with Disraeli's frustration. But, good data is an indispensable instrument for making good choices. It is on good choices, both national and international, that the fate of the rural poor depends.

UN System Coordination for Rural Development¹⁹

by *Lennart Båge, President,*

International Fund for Agricultural Development

In many low income countries, the rural poor represent a substantial proportion, often the majority, of the population. These rural groups—smallholder farmers, herders, artisanal fishermen, above all poor rural women—possess considerable entrepreneurial skills and knowledge of their local environment. However, their productivity is low because they lack access to assets like land and water, productive and sustainable technology, efficient markets and supportive institutions. They also have little voice in decision making, and their needs therefore are often bypassed.

Conditions in which these groups could raise their productivity and income would create a new dynamic in the rural economy and provide the basis for raising the growth rate of the economy as a whole. Achieving more rapid rural development is important not only for poverty reduction but for higher sustained overall growth that would benefit society as a whole, poor and less poor alike.

Unfortunately, during the 1990s support for agriculture and rural development declined sharply. Bilateral ODA for agriculture for example fell from USD 4.9 billion in 1988 to USD 2.5 billion in 1999. Over the last couple of years, however, there has been a renewed recognition of the role of agriculture and rural development.

For its part, UN system is intensifying its support for rural development in a number of different areas. The Rome-based UN Agencies provide direct support for agriculture and rural productive activities and infrastructure development. UNDP is providing support for institution building and policy formulation. Organizations such as UNICEF, UNFPA, WHO, UNESCO, UNAIDS, UNIFEM and others provide technical and material support for the social sector, development, and especially for women and children. ILO, UNIDO, and UNEP are active in rural employment, industrialization, and environmental issues. The humanitarian agencies like UNHCR, WFP, and UNICEF are providing emergency assistance to vulnerable groups in rural areas while others

¹⁹ From ECOSOC ministerial roundtable, “The role of rural development in the Achievement and Implementation of Internationally Agreed Development Goals including those contained in the UN Millennium Declaration” CEB/HLCP discussion, 30 April 2003.

are supporting specific areas like transport and communications. The World Bank Group provides considerable assistance across the whole of the rural sector, and WTO policies have a tremendous impact on agriculture and rural development.

The importance of coordinating and harmonizing these varied operations and programmes has long been recognized. The UN Chief Executives Board set up two years ago as part of the Secretary-General's UN reform to replace the Administrative Committee on Coordination provides a powerful forum for enhancing such coordination. In order to ensure that the UN System gives systematic attention to these issues, the CEB has established a High Level Committee on Programming. The HLCP has developed a Work Programme for the next biennium that focuses on system-wide efforts for supporting the effective implementation of the Millennium Summit goals, building up to the 2005 Review.

In addition to promoting the effective implementation of the Millennium Summit goals and follow-up to other conferences, the HLCP will also examine in-depth emerging policy issues that have implications for the UN System. The HIV/AIDS issue provides an illustrative example.

The HIV/AIDS pandemic has deeply affected many countries of Africa, especially Southern and Eastern Africa. It has claimed an estimated seven million agricultural workers and large numbers of teachers and public officials. One tragic consequence has been to reduce substantially food and agricultural capacity, deepening food insecurity and making poor rural groups even more vulnerable in the affected countries. In these circumstances external events like droughts can readily lead to famine—as is happening now.

At the same time the loss of public officials is reducing the capacity of public institutions to deal with either food insecurity or the AIDS pandemic. Lack of food makes the rural poor even more vulnerable to AIDS itself, as well to malaria, TB, and other opportunistic diseases. While incidence of AIDS in urban areas was initially more significant, in Africa it is now increasingly a rural disease. The HIV/AIDS pandemic, food insecurity, and the erosion of public institutions are thus being caught up in a vicious spiral.

Almost every United Nations organization has a role to play in addressing this triple crisis, whether in health and education systems, agriculture and other rural income-generating activities, transport, communications, trade and infrastructure, or in building stronger institutional capacity in rural areas. Operations in each of these areas can and must reinforce each other.

To that end, HLCP member organizations are developing common policies and analyses. With HLCP developing a shared strategic approach to the triple crisis, undg will focus on operational issues. Country-level mechanisms such as the PRSP, CCA and UNDAF, combined with the general efforts of the stakeholders, can join together to help those who are at risk today from AIDS and famine. At the same time, the partnership will address the underlying causes and improve institutional capacity to enhance the ability of individuals and communities to resist the next epidemic or the next drought.

NEPAD as a Vehicle for Coherence in Development Cooperation²⁰

by Ibrahim A. Gambari, USG and Special Adviser on Africa

At the end of 2002, the UN General Assembly welcomed the New Partnership for Africa's Development (NEPAD) as a programme of the African Union that embodies the vision and commitment of all African governments and peoples to peace and development. The General Assembly called on the international community, including the UN system, as well as the private sector and civil society, to play an active role in supporting the implementation of NEPAD.²¹ Since then, NEPAD has emerged as the main policy framework for Africa's development, guiding multilateral institutions in their support for Africa. NEPAD brings into sharp focus the hope for Africa's recovery and the potential of multilateral institutions to play an important role in that effort.

The test of relevance for the multilateral institutions is starkly posed in Africa, where most of the countries rank very low in several indicators of economic and social progress. The activities of multilateral institutions have been marked by a number of problems, including a lack of coordination, especially among organizations working in related areas and between multilateral institutions and bilateral donors. The slow and cumbersome procedures for disbursement of assistance often impose huge administrative burdens on African governments.

NEPAD can serve as a tool to enhance coherence for development cooperation in Africa in several ways, especially if multilateral and bilateral development institutions align their activities with NEPAD's priorities. The UN system organizations should work together more closely by using existing country-based programming and regional-level coordination mechanisms in delivery of assistance to African countries. Africa's multilateral and bilateral development partners should strive to simplify and harmonize their planning, reporting, and disbursement procedures, with a view to making them less bur-

²⁰ Based on NEPAD presentation at the ECOSOC ministerial roundtable discussion, "UN System Coordination for Rural Development," 30 April 2003.

²¹ ECOSOC was the first major intergovernmental body of the UN system to welcome NEPAD as an important vehicle for Africa's development. This was reflected in its Ministerial Statement on the High level segment debate on Africa held in Geneva in July 2001, a few days after African leaders adopted the New African Initiative at the OAU Summit held in Lusaka, in July 2001. The NAI was later renamed the New Partnership for African Development (NEPAD). Subsequently, the G8 welcomed NEPAD and pledged support to it by adopting the G8 Africa Action Plan at Kananaskis, Canada.

densome for African countries. In order to achieve maximum impact, each bilateral and multilateral development institution should embrace a few selected programmes of NEPAD and channel their assistance to those programmes rather than spreading their resources over a large swath of NEPAD activity.

Drawing on the independent evaluation of the final review and appraisal of the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF), the Secretary-General recommended (and the General Assembly approved) the creation of the Office of the Special Adviser on Africa. The main responsibilities of the office include:

- Supporting the General Assembly and ECOSOC in their deliberations on Africa;
- Coordinating and guiding the preparation of Africa-related reports and inputs, in particular for NEPAD, by the UN system and the international community, including the private sector and civil society;
- Coordinating the inter-departmental taskforce on African affairs, to ensure a coherent and integrated approach for the UN's support for Africa, including the follow-up to major conferences and global summit outcomes related to Africa;
- Initiating reports on critical issues affecting Africa, in particular on the inter-related issues of peace and development; and
- Acting as the focal point for NEPAD within the UN Secretariat at HQ, the Office of the Special Adviser would also coordinate global advocacy and undertake special assignments related to Africa.

The Office of the Special Adviser on Africa is thus a tool at the disposal of the Secretary General for promoting coherence at the global level in support of NEPAD. A coherent strategy will help Africa achieve economic, political, and social sustainable development in order to meet the MDGs, while assuring that all development efforts put the welfare and betterment of the African people at their centre. Accelerated rural development is essential. Without sustained investment, support, and attention to the needs and development of the rural poor and the marginalized, especially women and children, the achievement of various conference goals as well as the MDGs will be severely limited.

Alliances, Partnerships and Integration: Cornerstones for Achieving the MDGs²²

by Judith Symonds, Monterrey Bridge Coalition²³

The need to fight hunger and poverty has been devastatingly obvious for many more decades than has the threat and power of the HIV/AIDS scourge. Yet, goals to fight hunger and poverty have been rolled back continually to the point that it is almost inconceivable that these challenges can be met. On the other hand, though the disease is not under control, the campaigns to conquer HIV/AIDS have been relatively quickly mounted, are well-organized and visible, and are funded by governments, businesses, foundations and grass roots campaigns. The key to the success in the realm of HIV/AIDS comes in its reliance on global partnerships.

The campaign to halve hunger and poverty by 2015 hinges on the development of innovative and inter-connected strategies for food production, environmental protection, and trade. Overcoming obstacles can only be done by building strong, mutually supportive linkages between agriculture, natural resource management, and trade policies.

There are competing challenges inherent in the MDGs. A full 70% of the world's poorest citizens are farmers and yet 800 million people go hungry every day. In addition, the demand for food is set to double in the next 30 to 40 years, with 80% of that increase in the developing world. Globally, half the world's habitable land and 80% of the world's fresh water are devoted to food production.

At the same time, the world's twenty-five richest regions of biodiversity are also the most threatened with biodiversity loss. These regions occupy less than two percent of the earth but are home to over one billion people who depend on farming for their sustenance and livelihoods. The question is how to keep the need for increased food production in the developing world and the growing environmental and natural resource crisis from following a collision course. The MDGs can only be achieved with *compatible* policies in the areas of food production, biodiversity and natural resource management, and trade.

²² From ECOSOC brainstorming session, 24 March 2003.

²³ The Monterrey Bridge Coalition (MBC) is a multi-sector, multi-year initiative that works with other parallel initiatives within the MDG processes to integrate and enhance their impact. The coalition was established to reconcile the fight against hunger and poverty with the need to provide biodiversity stewardship and ecosystem management.

Repositioning Agriculture in the Development Mainstream

Global leaders need to reposition agriculture at the center of international development efforts in order to alleviate hunger and poverty and protect the earth's increasingly fragile ecosystems. This task would include research to design successful community-based initiatives, combining food production with biodiversity protection, as well as substantial increases in investment in agriculture and natural resource management.²⁴ To this end, significant capital could be mobilized from the USD 30 billion in increased aid committed at the Monterrey Conference on Financing for Development. Investments in market, education, and communication infrastructure could supplement the direct aid. New monetary incentives for ecosystem services would enhance incomes and help provide poor populations with clean water and healthy habitats.

The Role of Partnerships, Alliances and Consultation

The political will for achieving the MDGs depends on partnerships and alliances that provide energy to mobilize support over a long period of time. Changing the existing paradigms for food production, environmental stewardship, and development is a complicated and long-term task, one that requires improved coordination within governmental and international organizations, business, and academia. The active participation and leadership of civil society is also essential.

Developing and developed countries also need to be equal partners, for experience has shown that assistance and development have to be demand-driven. This is a fundamental principle of NEPAD and the Partnership to Cut Hunger and Poverty in Africa. The World Bank and other major donor agencies have put in place processes for country consultation, such as the PRSPs, CCA and UNDAF. Nevertheless, ways still need to be explored to promote agriculture in these processes as the key to hunger and poverty reduction, remembering that the developed world's economic growth emerged, historically, from a sound agriculture economy.

In addition, much more attention needs to be paid to community-based initiatives and consideration of local social, environmental, and economic priorities. Since the first world environment summit in Rio de Janeiro in 1992,

²⁴ One has only to look at the difference made by the Consultative Group on International Agricultural Research (CGIAR), which not only created the Green Revolution, but also has been responsible, with national research organization partners (NARS), for making major contributions to improved nutrition, appropriate agricultural production and natural resource management, on small-scale farms as well as larger production areas in developing countries over the last thirty years.

one of the most successful arenas of sustainable development has been at the local level. Local people, working with diverse partners, have pursued innovations in their own production systems and local landscapes to successfully integrate agriculture and biodiversity conservation, to the benefit of both local livelihoods and globally valued biodiversity.

The UNDP-GEF Small Grants Program has funded over 6000 projects based on biodiversity and poverty alleviation. With support from IFAD, crop and livestock producers in the poorest countries in the world have halted resource degradation and raised local incomes. An IUCN-Future Harvest research partnership identified dozens of successful cases where innovations both increased farm productivity and farmer incomes and improved habitat and biodiversity. In the first year of operations, the Equator Initiative identified over 400 successful initiatives undertaken by communities in tropical ecosystems, which promote poverty and hunger alleviation through innovative partnerships for the conservation and innovative use of biodiversity.

■ **Chapter 2**

Agriculture and Rural Development

The Central Role of Agriculture ²⁵

An Overview

The papers in this chapter will discuss a variety of issues surrounding agricultural development and its role in the overall plan for rural development. The first article introduces the topic. Peter Matlon, of the Rockefeller Institute, focuses on the importance of research in agricultural development, and of targeting that research in a pro-poor manner. The paper on agro-industry discusses the increasingly complex connections between agriculture and industry and the potential that those connections hold for poverty eradication. The next essay highlights the central importance of land access and fair-land-use policies and practices. The paper on the African Green Revolution moves beyond the question of whether Africa will have a Green Revolution to discuss the more important question: What can we do to ensure that the Green Revolution comes about? The remaining four essays address more specific topics, such as the humane treatment of livestock, the role that small-holder farmers will play in agricultural development, the potential offered by the cooperative model, and the importance of agricultural extension.

Agriculture as a Starting Point

Agriculture is the leading productive sector within the rural economy and the largest source of employment in most low-income countries. Historically, growth in agricultural productivity, incomes, and output provided the foundation for economic growth in today's industrialized and industrializing countries. Rapid and sustained rural development could play the same role in accelerating growth in the developing world. Increasing the rural poor's agricultural productivity would mean more income in their hands and more food on their plates, as well as increased food supplies for urban populations. Currently, agricultural growth stands at 2% in developing countries; growth rates

²⁵ Based on the issues paper and summary of ECOSOC ministerial roundtable discussion, "Role of Agriculture and Rural Development in the Eradication of Hunger and Poverty," hosted by FAO, IFAD, and the World Bank, 30 April 2003, and the presentation of Lennart Båge at the same roundtable.

at least twice that high are needed for achieving substantial reductions in poverty and hunger.

While poverty is undoubtedly a cause of hunger, hunger can also be a cause of poverty. Hunger deprives impoverished people of the one valuable resource they can call their own: the strength and skill to work productively. Hunger in childhood impairs mental and physical growth, crippling the capacity to learn and earn a living. Hunger and malnutrition of a pregnant or lactating woman have serious consequences for her own health and productivity, and also for the future of her child. Widespread hunger and malnutrition impair economic performance not only of individuals and families but also of nations: recent estimates by FAO suggest that achieving the MDG of halving the number of undernourished people by the year 2015 would yield economic benefits amounting to an additional US\$120 billion per year.²⁶

Reduction in poverty and hunger requires increased output of staple foods by the rural population, but it is important to recognize that growth in food production alone is not the answer. Rural economic growth has to be broad-based, combining the promotion of agricultural productivity and development and overall rural economic growth with targeted programmes such as school feeding, food for work, and direct assistance to vulnerable groups. Such “twin-track” strategies are mutually reinforcing, since programmes to enhance direct and immediate access to food offer new outlets for expanded agricultural production and overall rural development.²⁷

Agriculture is closely linked to non-farm activities. Many of the rural poor are subsistence farmers or landless people seeking to sell their labour, in agricultural settings but also in non-farm sectors such as trade, transportation, processing, and tourism. An integrated approach to rural development therefore requires investment and action in many areas.²⁸

²⁶ Based on the value of additional “healthy life years” (WHO’s definition) resulting from improved food intakes, over and above the additional healthy life years that are expected to result by 2015 if present trends continue. Every additional healthy life year is valued at the 2002 equivalent of the projected per capita income of the developing countries in 2015 (US\$563), estimated by the WHO report on macroeconomics and health.

²⁷ As stated in the joint FAO/IFAD/WFP paper prepared for the International Conference on Financing for Development, Monterrey, Mexico, March 2002 : “Achieving massive and sustainable poverty reduction entails a) targeting hunger directly so as to increase the productivity and productive potential of those who suffer from it and allow them to take advantage of the opportunities offered by development and b) stimulating agriculture and rural development, both essential for both overall economic growth and sustainable reductions in poverty.”

²⁸ More details can be found in the concept paper prepared by FAO and IFAD for the ECOSOC report, “Promoting an Integrated Approach to Rural Development in Developing Countries for Poverty Eradication and Sustainable Development.” It can also be found in the World Bank’s new rural development strategy: “Reaching the Rural Poor.”

Economic Foundations and Market Access

Despite agriculture's role in national economies, low commodity prices and a public bias favoring investments in urban areas have led to a general neglect of the sector in the past few decades. Only recently has attention to agriculture and rural development increased again, resulting in the preparation of a number of bilateral and multilateral strategies to address the problem of rural poverty and development. Equally important, several developing countries have enacted new initiatives of their own that specifically focus on the development of the rural sector.

Foreign and domestic aid is critical to the long-term development of the agricultural sector, because it enables the rural poor to increase their capacity as producers and improve their access to technologies and training, financial services and markets, and institutions. Aid also allows rural areas to secure reliable supplies of safe drinking water, sanitation, health clinics, schools, information systems, rural roads, and dependable energy supplies. Public funding, used for social services and infrastructure development, can, in turn, attract private investors, whose funding should complement the public aid. Encouraging private flows of money to remote areas is a challenge, however, and at this stage there is no adequate substitute for ODA in those areas that are bypassed by private resources.

Increased resources, whether from public or private sources, benefit the poor most in environments where public institutions, legal framework, and sound policies facilitate an equitable and transparent distribution of these resources. Such "enabling policy environments" ensure peace, social and political stability, sound macroeconomic policy, and equitable development policies.

In addition to foreign and domestic aid, market access on the national, regional and international levels is crucial if agricultural and rural development are to have a considerable impact on poverty eradication and economic growth. Restrictive trade barriers and agricultural subsidies in developed countries are serious impediments to the realization of the agricultural potential in developing countries. In order to overcome the existing marginalization of rural areas in the global economy, all countries need to be able to participate fully in the international trading system.

However, greater participation in world trade does not automatically translate into improvements in market access for developing countries to Western markets. Additional capacity building efforts are needed for developing coun-

tries to engage on a more equal footing. Assistance needs to focus on developing professional and responsive rural finance institutions, with a strong emphasis both on credit and savings. Further, integrated rural development requires the development of market linkages. After all, merely exhorting the rural poor to produce more is not enough—they must also be given access to the markets where they can purchase inputs and sell the fruits of their labours.

Empowering the Local Poor

Poor rural producers have great underutilized potential. They often lack the power to influence decisions that shape their lives, to negotiate better terms of trade, to stop corruption, and to make governmental and nongovernmental organizations accountable to them. Empowering them and enabling them to work their way out of poverty holds the key to faster rural development and the eradication of hunger. Organizations designed to help this group of people must become more responsive to them by creating conditions in which they can take greater control of their lives.

The rural poor must be recognized not as the objects of development, but rather as the prime actors in it. As development partners, it is the role of the international community not only to respond to the needs that the rural poor articulate, but also to recognize and build on their strengths. This support implies wider availability of information to small-scale producers and enterprises. Poor and vulnerable groups (including female-headed farm households) need to be helped to benefit from the information revolution. Building the capacity of poor people's organizations takes time, but without it, investments in social and economic infrastructure will fail to deliver sustainable benefits.

Horizontal and vertical partnerships are central to successful rural development. Horizontal partnerships bring together the various actors operating in a given rural area: community associations, private sector organizations, local authorities, NGOs, and civil organizations of different types. These groups must work together to establish local priorities through an inclusive participatory planning process. It is especially important to facilitate women's participation in rural organizations and networks, because they not only have less access than rural men to knowledge, assets and services, but they also have

²⁹ Source: "Indigenous Peoples and Sustainable Development," which cites Deruyttere, A., *Indigenous Peoples and Sustainable Development: The Role of the Inter-American Development Bank*. Washington, D.C., Inter-American Development Bank (IDB) (1997); Plant, R., "Issues in Indigenous Poverty and Development" Technical Study No. IND-105. Washington, D.C. IDB, (1998); *Indigenous Peoples, Ethnic Minorities and Poverty Reduction*. Manila: Asian Development Bank (2002).

less influence in public decision making. Indigenous persons are similarly marginalized. Particularly in Asia and Latin America, indigenous persons form a significant proportion of the rural poor and are particularly vulnerable.²⁹

Vertical partnerships will bring together local actors with higher levels of government and outside supporters of rural development such as donors and private business. Vertical partnerships should serve to share financial responsibilities, to establish the overall priorities and guiding rules at the various levels within the framework of the subsidiary principle, and to monitor and evaluate the whole process.

Empirical evidence suggests that decentralized local governments, when given sufficient resources to discharge their responsibilities, tend to be more accountable to the rural poor than over-centralized governments and institutions are. Decentralization and devolution are creating greater opportunity for civil society participation in public sector management and as intermediary networks between the state and the market. Programmes for sustainable agriculture and rural development need to be based on a people-centred and territorial approach, to adapt to the specific characteristics, restrictions, and potentials of each rural space. In each territory, linkages of agriculture to other sectors operating in rural areas need to be recognized and promoted, and synergies between rural areas and small and medium-sized towns have to be acknowledged and enhanced.

Agriculture and the Environment

Agriculture forms a nexus between development and the environment. Agrarian reform and sustainable land management are not only critical for generating environmental benefits, but they are also pivotal for long-term poverty and hunger reduction.³⁰ One of the key factors leading to entrenched poverty is the lack of access to natural resources, such as water, forests and, in particular, to land. In this area, women face particular difficulties. Rural women are responsible for half of the world's food production and produce between 60% and 80% of the food in most developing countries. Yet, in developing countries women own less than 2% of all land.³¹

Not only are natural resources central to agriculture, but agriculture itself is increasingly recognized as essential for sustainable environmental manage-

³⁰ IFAD recognizes that the Convention to Combat Desertification addresses the cross-cutting concerns of development and environment. The Global Mechanism of this important convention is housed at IFAD.

³¹ Source: *The Rural Poor - Survival or a Better Life?*

ment, particularly climate change and biodiversity. Agriculture plays a significant role in contributing to sustainable development on the national level, and agricultural techniques and practices can have a regional and global impact, especially in environmental terms.

The quality of land and water, the amount of forest coverage, biodiversity and climate change are in different and often complex ways linked with food and feed production. Water and land are two indispensable resources for agricultural production. Rural transformation is needed to reduce the vulnerability of rural people to water shortages and drought that exacerbate food insecurity and contribute to famine, especially in Africa. Only a very small percentage of the farm land in Africa is irrigated, and the majority of the continent's farmers depend on rainfall for watering their crops—the development of small scale water management schemes is therefore urgently needed in order to increase agricultural productivity in Africa.

Research and Technology

For research and technology to have an impact on poverty reduction by boosting agricultural productivity, research itself needs to focus on the needs of poor people. The extent to which research and technology benefit poor people depends on the nature of the technology introduced as well as the institutional and policy context. Higher agricultural productivity might be achieved through qualitative improvements of crops (i.e. stress resistance), however, increases in income will not be realized without proper access to markets to sell excess produce and appropriate infrastructure development to reach those markets. Likewise, the introduction of mixed farming systems and reductions in purchased inputs might require institutional changes, for example in the form of extension service reform and the promotion of community-based groups.

Recognizing the importance of research in improving agricultural productivity, the FAO has proposed the Anti-Hunger Programme, which combines concrete measures to increase agricultural productivity and the uptake of appropriate technologies by poor rural communities, ensuring also access to food for the most needy through safety nets and other direct assistance. The intention of the Anti-Hunger Programme is to give higher priority to research and resource mobilization for agriculture and non-farm activities in rural areas.

Entering a Virtuous Cycle

The participation of all partners is essential at all stages of the design and implementation of integrated agriculture and rural development strategies and programmes. At national and international levels, alliances of all partners—governments, intergovernmental organizations, donors, NGOs, civil society organizations, private sector—need to operate in a coordinated manner, taking into account each partner's comparative advantage, in order to halve the number of undernourished people by 2015 as a first step to overcoming hunger, malnutrition and poverty. By so doing, we can escape from the vicious cycle of perpetuating hunger and poverty and overcome the crippling damage they inflict on human lives and natural resources. And a virtuous cycle is entered into, in which every investment in achieving one of the development goals accelerates progress towards reaching them all. Universal primary education and literacy, for example, will be a real possibility when children have enough food and are no longer forced to work. Reducing deprivation, hunger and malnutrition will also have a decisive impact on reducing child mortality, improving maternal health, and combating HIV/AIDS, malaria and other diseases. Success will require policies and actions that promote inclusiveness and removal of barriers that exclude individuals on the basis of gender or ethnicity from economic and social opportunities.

A coherent and inclusive approach that encompasses trade policies, agricultural policies and environmental policies is required to sufficiently address the multidimensional problem of agricultural and rural development. National ownership of development initiatives and local stewardship of these efforts are indispensable for bringing about results in poverty eradication.³² In addition to coordinated research and action, the achievement of the Millennium Development Goals implies a political will and commitment. The final declaration of the WFS:five years later called on all parties (governments, international organizations, civil society organizations and the private sector) to reinforce their efforts so as to “act as an International alliance against hunger.”

³² Existing national or international fora such as the UN System Network on Rural Development and Food Security, hosted by FAO and jointly monitored by IFAD, FAO, WFP; the International Land Coalition; and the newly created donor platform for rural development, can look for new opportunities to exchange and disseminate information, experiences and best practices.

The Role of Agriculture and Rural Development in Eradicating Hunger and Poverty³³

by Peter Matlon, The Rockefeller Foundation

The links between agriculture and the eradication of hunger and poverty are clear, both conceptually and practically. It is estimated that 75% of the poor in both Africa and South Asia live in rural areas and a vast majority of them rely upon agriculture, either directly or indirectly, for their livelihoods.

It follows then that increases in agricultural productivity can potentially improve the livelihoods of the poor in at least six ways: by increasing their own production of food, increasing marketable surplus that they can sell to earn income, generating new employment and pushing up rural wages, stimulating non-farm employment through backward and forward linkages tied to agricultural production as well as multiplier effects in the broader economy, lowering food prices and thus increasing the real incomes of food deficit households, and giving households the means to diversify their diets and thus improve their nutritional status.

All of these points are reasonably obvious, and indeed a great deal of research has been done to identify how and under what conditions these potential benefits can be achieved and actually reach the poor.

It is important to consider, therefore, how the benefits of technical agricultural research can be planned and implemented to ensure greater impact on the poor. This is not a trivial question as there is considerable evidence that the outputs of research do not always reach the poor nor improve their welfare.

The Rockefeller Foundation has invested considerably in agricultural science over more than 50 years, and it has had considerable success. For example, many of the key actors in the Green Revolution were in fact Foundation scientists, including the Nobel Peace Prize Laureate, Dr. Norman Borlaug. The Green Revolution was in many ways an undeniable success. Arguably, tens of millions of lives were saved by greatly increasing cereal production in countries that were facing imminent famine in the 1960s and 1970s. It is estimated that 20 to 30 million hectares of natural lands were saved from the plow due to increased yields, with attendant savings in natural biodiversity. And

³³ From ECOSOC ministerial roundtable discussion, "Role of agriculture and rural development in the eradication of hunger and poverty," hosted by FAO, IFAD, and the World Bank, 30 April 2003.

food prices were reduced by between 30% and 60%, which translates into enormous increases in real incomes for poor consumers who expend a major share of their meager incomes on food.

However, there are still some important problems associated with the Green Revolution. In most regions where the new high yielding varieties were introduced, small farmers were generally the last to adopt, and they therefore gained less due to price declines. Larger earlier adopters in some areas were able to accumulate additional land from struggling small farm households, leading to increases in landlessness. The substantial improvements in productivity, and profitability, of cereals led to decreased cropping diversity and, in some areas, to reduced nutritional status. The highest adoption rates were concentrated in relatively high potential areas well served by irrigation and market infrastructure. Lower potential areas, in which many of the very poor are located, were bypassed. And finally, there were important environmental problems including groundwater pollution due to high use of agrochemicals and reduced agricultural biodiversity.

In short, the potential benefits of increases in agricultural productivity don't automatically result in disproportionate benefits to the poor or to the environment. Rather, the distribution of benefits depends on two sets of factors: first, the nature of the new technologies themselves; and second, the institutional and policy context into which the new technologies are introduced. There are several characteristics of technologies that make them more likely to benefit the poor.

- Pro-poor technologies should generally focus on those crops that are primarily produced and/or consumed by the poor. This means cereals and traditional root crops.
- Pro-poor technologies should be divisible, that is, able to be adopted in varying amounts without requiring a large initial investment, and scale neutral, or equally profitable for small or large farmers.
- Pro-poor technologies minimize dependence on purchased inputs and maximize the use of resources internal to the farm household, such as labour or biomass.
- Pro-poor technologies focus on the constraints that are most important for poor farmers, such as tolerance to stresses like drought or poor soils, rather than responsiveness to high levels of fertilizer or irrigation water.

- Pro-poor technologies also generally focus on mixed-cropping systems rather than mono-crop systems, to spread risk and labour while at the same time improving the home produced diet.
- Pro-poor technologies focus more on qualitative improvements of crops, such as increasing the concentration of protein, vitamins, and micro-nutrients. This can be particularly important for poor households who can't afford to purchase adequate vegetables and animal products to diversify their diets.

These new foci represent a major paradigm shift in agricultural research over the last 10-15 years.

But appropriate pro-poor technologies alone are not enough. Complementary institutions and policies are also necessary to ensure broad adoption and benefit sharing. Equitable access of rural households to land is critical, as are tenure systems that provide poor households with adequate security. Extension reform can empower poor farmers through experiential learning and can hold extension workers accountable to their local constituents. The Farmer Fields Schools promoted by the FAO are one example of improved extension methods. Crucially important also is improving the efficiency and equity of output markets in order to avoid price collapses when productivity improves, ensure that a greater share of the final consumer's price gets back to the farmer, and to ensure that seasonal price swings and regional price disparities are minimized.

More efficient and equitable markets require investments in transport infrastructure, market price information systems, and again, institutional and policy reforms such as establishing community cereal banks, eliminating government regulations that limit competition among private sector traders, reducing "informal taxes" along trading routes, and lifting the barriers to cross-border regional trade flows. Globally, it is equally vital that OECD countries reduce agricultural subsidies and open markets to create a more level trading field in which developing countries can compete fairly.

In conclusion, agriculture can indeed contribute significantly to rural development and poverty reduction. But only if we learn from the experiences of the past and apply those lessons in future research, in fairer institutions, and in wiser policy formulation.

Agro-Industries in Rural Areas³⁴

In the past, agriculture and industry were often considered two distinct sectors in a country's economy. Agriculture was regarded as the starting point of development, while the level of industrialization was considered to be the most significant indicator of a country's growth along the development path. Conceived growth strategies traditionally were based on a more or less gradual move from agriculture to industry, with capital from agriculture used to finance the move in the first phases.

Today, this concept has changed. The role of agriculture in the course of development, especially rural development, has been reconsidered and reassessed with respect to its ongoing importance for sustainable growth, political and economic stability, and stimulus for industrialization. At the same time, agriculture itself is becoming more and more industrialized, with agricultural products being shaped by complex and advanced technologies and increasingly integrated in the network of industrial interdependencies and markets. Thus, the industrialization of agriculture and development of agro-processing industries is an important joint process which is generating an entirely new type of industrial sector. This new hybrid sector is essential for achieving a sustainable development for developing countries and their rural areas, which are now facing pervasive problems of food insecurity, poverty, malnutrition, unemployment and limited competitiveness.

Some Facts

- Between 40 and 60 percent of manufacturing added value (MVA) is generated by agro-processing industries in developing countries.
- While developed countries add \$180 of value by processing 1 ton of agricultural products, developing countries generate only \$40.
- While 98 percent of agricultural production in developed countries undergoes industrial processing, in developing countries hardly 30 percent is processed.

All this contributes directly to the problems of food insecurity and malnutrition in many developing countries, as well as to problems such as the gener-

³⁴ Based on the issues paper prepared by UNIDO for the ECOSOC ministerial roundtable discussion, "Agro-Industries in Rural Areas," 1 July 2003, and also on the summary of the same meeting.

ally high unemployment rate, migration from rural areas to overpopulated urban centers, and the civil unrest that accompanies these types of stresses.

Since agro-industries are subject to a high degree of interdependence in relation to agriculture and industry, they can play a very important role in speeding up economic activity and growth. For instance, based on the preparation of hides and skins, tanning operations can be started, as well as the manufacture of footwear and other leather goods. In the case of forest industries, the initiation of paper and paperboard manufacture can lead to a large number of conversion industries such as the production of paper bags, boxes and cartons, wooden containers, furniture, etc. Also, products such as vegetable oils and natural rubber are used in a wide variety of manufacturing industries.

With respect to the agricultural sector, the development of agro-industries can lead to a number of benefits. Agro-industries encourage agricultural production through market expansion, both in terms of the consumer demand for the processed product and the need of an adequate supply of the raw material. Construction of transportation and energy facilities required by agro-industry will lead to a generally more favorable environment for technical advance and innovation in the agricultural sector.

Agro-industrial development also leads to a substantial increase in employment. While this benefit may be overlooked initially because the industrial process is itself capital-intensive, significant employment may be generated through the provision of the raw material base, for instance in the case of sugar processing. Agro-processing also can generate demand and employment in terms of activities that use by-products or waste products, for, for instance, fuel or fertilizer. Furthermore, recycling and biological agriculture are two closely related activities which promote a sustainable use of natural resources within an efficient industrial context. The development of agro-industries increases the demand for machinery, packaging materials and intermediate goods used in agricultural production and processing.

Technology is a crucial element for agro-industrial development in rural areas. International development agencies should help bring simple technology to farmers, even on a small scale. For example, fishermen in Malaysia increased their standard of living through access to simple technologies to process fish, and rice mills have done much to improve productivity in a number of developing countries. At the national level, engineers and technicians should be encouraged to settle in rural areas and promote the use of technologies there; young persons who leave these areas to enter university should also be encouraged to return. In addition, small and mid-sized enterprises should

be encouraged to process food in rural areas, particularly in Africa, to improve preservation and contribute to food security.

Enabling farmers to have improved access to markets is another important condition for the development of agro-industries. Farmers should be helped to identify local, domestic, and regional markets for their products and to have a better understanding of their functioning. Incentives should also be put in place to engage farmers in markets, including storage facilities and access to appropriate information. Associations and cooperatives of small-hold farmers should also be encouraged in order for them to bring goods to market together. Certification of goods and higher standards for agricultural products could ensure larger market access and selling at increased prices.

It should be noted, however, that while the opening of markets creates opportunities for growth, it also introduces competition among countries around the same product that may dampen benefits. A proper policy environment should be put in place at the national level, in order to build appropriate infrastructures, intensify production while maintaining soil fertility and preserving the environment, and promote product innovation and quality. Microcredit, especially in terms of soft loans, can help make agro-industries stronger and more competitive.³⁵

UNIDO advocates balanced interventions to promote the development of agro-based industries. The main objective of these interventions should be to strengthen forward and backward agro-industrial linkages that enhance value added opportunities and also serve as effective means of achieving economic transformation and sustainable livelihoods in rural areas. In particular, the focus could be, among other things, on the possibilities to add more value in food, leather, textile, wood and equipment related to support services as well as on reducing post harvest losses and natural resources depletion through approaches such as preservation, storage, processing, and packaging. It is also vital to increase market accessibility to agro-products and establish linkages with market outlets through product development and innovation. In pursuit of these goals, UNIDO can provide assistance on practical and applicable technology, related management programmes, exchange of information, and training and advisory services, as well as support to national research institutes that are developing appropriate technologies.

³⁵ Participants called attention to a relevant conference on meso-credit, held by the Common Fund for Commodities in November 2003 in Khartoum.

UNIDO assists developing countries in introducing strategies, policies and programmes which are directly re-orienting industrial development towards the strengthening of agro-industrial linkages and targeting promising product areas, the development of which can have a decisive impact on ensuring food security, enhancing agricultural productivity, increasing competitiveness and attracting investment flows.

Land Use Practices and Their Impact on Rural Development³⁶

Secure Access to Land:

A Key to Sustainable Rural Development

The World Food Summit (WFS) in 1996 and the World Summit on Sustainable Development (WSSD) in 2002 each affirmed that improving the rural poor's secure access to land is basic to eradicating poverty and promoting development. Access to land is a necessary first step but not a sufficient condition for sustainable rural development. It must be linked with access to water, financial services, technology, capacity- building and markets. Furthermore, the question of access to land must be addressed within the local territorial realities and relationships where decisions on resources will be made.

The already vast numbers of landless or near-landless people are growing as more and more farmers, woman-headed households, pastoralists, and indigenous peoples are deprived of land as a consequence of a multitude of factors, including land degradation, expropriation or privatization, demographic pressures, conflicts over natural resources, natural disasters, expansion of commercial farming with its reduced use of labour, and actions of extractive industries. Most often, those living and working on a parcel of land today have little, if any, assurance that they will have the right to use that land tomorrow. Understandably, when property rights are insecure or nonexistent, poor rural people will be reluctant to invest in restoring or preserving the long-term productivity of the land because they cannot be sure that they will be the ones to receive the benefit.

Studies, most recently reported in the World Bank's Policy Research Report "Land Policy for Growth and Poverty Reduction," provide compelling evidence of the overall benefits arising from more equitable land distribution. Communities with more egalitarian land access are characterized by higher levels of participation and collective action. Democracy has usually occurred much later in countries dominated by owners of large parcels of land compared with those that relied on smallholder production. High land concentrations also reduce a government's incentive to provide public goods and services. When smallholder property rights are guaranteed, the total surplus pro-

³⁶ Based on the issues paper for the ECOSOC ministerial roundtable discussion, "Land Use Practices and their Impact on Rural Development" hosted by the International Land Coalition in conjunction with IFAD, 1 July 2003.

duction derived from the land increases more quickly and the resulting assets are distributed more fairly.

Revived Commitments, New Opportunities

The revival of the rural agenda emphasizes resource rights and institutions. It draws attention to the need to strengthen the capacity of those organizations that mediate the land access of the poor, including rural workers, women, indigenous peoples, and fisher folk. The new approach also highlights the need to support governments in providing the legislative, regulatory and judicial structures that will ensure that the poor benefit from improved access to land.

Within civil-society organizations, governments, and intergovernmental institutions there are often people striving to build broad-based political and economic support to improve land access and tenure security. These stakeholders can make important contributions by evaluating classical and emerging land access practices, experiences, concepts and methodologies. There is a need to strengthen the capacity of multi-stakeholder coalitions and systems to collect, analyze and share knowledge on the new and innovative approaches for improving land access.

It is important to test the viability of scaling up the experiences of civil society into national initiatives and to build on the strengths of earlier agrarian reform programmes, including those that addressed redistribution, restitution and resettlement. There is also a need to evaluate the potential of emerging land tenure markets; *inter-alia* negotiated or market-assisted, sharecropping, leasing, and corporate farming, to determine if, and how, they can benefit the rural poor.

The history of land-use policies and access programmes has shown that civil society movements without the enabling policy and public support of government, and government-led initiatives undertaken without the support of civil society, rarely succeed. In many cases, civil society, governmental and intergovernmental organizations are pursuing what seem to be parallel paths and objectives, but, due to historical events, there are differences that are difficult to bridge. Building those bridges will be crucial if we are to achieve the MDGs.

A Green Revolution for Africa: What Does it Mean?³⁷

Agricultural development is a prime pre-condition for broad-based economic growth, food security and poverty reduction in Africa. In fact, at this juncture, an agricultural revolution is Africa's only viable course, because of the spatial distribution of the population, the widespread poverty and the structure of most African national economies. On 21 February 2003, UN Secretary General Kofi Annan urged African countries and their global partners to promote a "Green Revolution" in Africa, to help the continent move towards self-sufficiency in food, reduction of hunger, and eradication of poverty. This call to action is a major UN policy imperative and a challenge for all key players and stakeholders to contribute to the transformation of African agriculture through a Green Revolution.

The term Green Revolution refers to the process by which developing countries modernized their agricultural systems, adopting new, high-yield varieties of cereals—wheat, maize, and rice in particular. Specifically, the Green Revolution occurred in Asia and South America from approximately 1966 to 1976. The countries of these regions employed new technology, irrigation systems, fertilizers, and management practices and, in Asia, doubled their rice production from .5 to 1 ton per capita per year.³⁸

So, the question now is whether Africa has missed the opportunity for a Green Revolution or has only delayed its arrival. During a recent conference of the UN Economic and Social Council, which brought together a host of experts in the field, several participants were of the opinion that the Green Revolution has not bypassed Africa, even though the region's wide diversity in socio-cultural contexts and agricultural practices might argue to the contrary. These participants pointed to examples like the successful post-independence adoption of high-yielding maize technology in Zimbabwe, which doubled yields in the 1980s, and to the success of the Sassakawa Global 2000 initiative on maize production, which turned Ethiopia from a food deficit situation to surplus maize production in 1997.

³⁷ Based on the issues paper from the ministerial roundtable discussion, "A Green Revolution for Africa: What Does it Mean?" hosted by UNECA, 1 July 2003.

³⁸ *Towards a Green Revolution in Africa: Harnessing Science and Technology for Sustainable Modernization of Agriculture and Rural Transformation* (SMART/AGRI), Economic Commission for Africa, Sustainable Development Division, United Nations, New York.

Other participants were of the view that the Green Revolution *has* bypassed Africa due to a combination of factors, both domestic and external, such as inadequate government support for policies such as credit facilities and input subsidies. These participants pointed to globalization and market liberalization as possible hindrances to Africa's Green Revolution.

However, a consensus was reached that by prioritizing agriculture and rural development in national development policies and by modernizing the agricultural sector, African countries and the global community could promote a Green Revolution in Africa. For the majority of African households today, increasing the productivity and competitiveness of food and agricultural chains in production, processing, marketing and trade holds the key to improving overall income and sustainable availability of, and access to, food. Efforts should also be made to increase private and collective actions to mobilize investment in the infrastructure required for production (such as irrigation and water harvesting, land improvement and energy); market access through roads, information and communications; and to harness both conventional technologies and new ones such as biotechnology and information technology to increase African agricultural productivity and competitiveness.

Consider the following:

- Barely 6 percent of the arable and permanent cropland is irrigated, compared with an average of 33.3 percent for Asia, 25 percent for India and 47 percent for China. Africa, therefore, has a considerable unused potential for expanding agricultural production through irrigation, primarily on a small scale, but also at the large-scale level.
- Fertilizer use per hectare of arable land in Africa stands at only 8 percent and 20 percent of the levels reached respectively in Latin America and Asia.
- Relative to Africa, the number of tractors per thousand hectares of arable land is nearly 3 times higher in Asia and 8 times greater in Latin America.
- Road density is more than 2.5 times higher in Latin America and 6 times higher in Asia than Africa. With only 21 percent of roads paved, and many of those in poor condition, farmers are restricted to their local area when marketing their crops.
- With 12 times the land size of India, Africa is struggling to feed only half as many people as India.

Much work needs to be done. The ECA is committed to assisting African countries, through its advisory role, by promoting science and technology. As part of this commitment, the ECA has championed the African Green Revolution Initiative (SMART/AGRI) that incorporates the “Gene Revolution,” or the phase of development that takes advantage of biotechnological advances. Biotechnology can give rise to crops with higher yields, improved disease and pest resistance, and other desirable properties. ECA has invited experts to identify challenges and further opportunities for a Green Revolution in the African context, in the hope that this will help trigger a process of sustainable agricultural modernization and rural transformation that is scientifically valid, economically viable, environmentally friendly, and socially acceptable to African smallholder farmers. ECA has coined an acronym to describe the basic principles of a Green Revolution as the “*TIIP challenge*” of sustainable development, which stands for Technology, Infrastructure, Institutions, and Policies.

National Perspectives

At the ECOSOC conference, the assembled experts shared their personal experiences with the issues and challenges facing an African Green Revolution. The representative from the Canadian International Development Agency (CIDA) stressed the need to develop local capabilities and encourage public and private participation. He discussed the fact that his organization has explicitly recognized the potential and importance of local participation. Accordingly, the CIDA is reviewing its approach to sector-wide development project implementation to focus more fully on the district and local levels. Such an approach helps farmers get access to agricultural information.

The representative of the French Mission to the United Nations in Geneva highlighted that an enabling environment that is free of civil and political unrest should be considered a prerequisite for a Green Revolution in Africa. This is especially important because the Green Revolution is capital intensive, at least in the initial stages, which would be difficult to achieve in volatile political situations.

The Deputy Prime Minister and the Minister of Planning of Ethiopia and the Minister of the National Planning Commission of Namibia shared their experiences with participatory development of the agricultural sectors of their countries. The Ethiopian Government has been increasing support for basic requirements of agricultural modernization, such as irrigation systems and hands-on training schemes in science and technology, in order to strengthen the position of small farm holders. In Ethiopia, the priorities of the farmers

have been incorporated into the national framework for agricultural policy, known as the Sustainable Development and Poverty Reduction Programme (SDPRP), which has contributed to increasing agricultural productivity, and regulating the use of natural resources to ensure food security.³⁹

In addition, in order to promote cross border marketing of agricultural products, the Ethiopian government has strengthened trade ties with neighbouring countries like Kenya and Djibouti, thus enhancing regional integration.

The Minister of the National Planning Commission of Namibia discussed the private-public partnerships that use advances in science and technology to increase crop yields. The Minister further noted that the international goodwill that Namibia currently enjoys is encouraging partnerships among farmers' unions, business and industry, science and technology institutes, and other food security stakeholders. With rapidly growing labour force, mainly in rural areas, the government is developing infrastructures needed to stimulate the rural economy and food production and to reduce migration.

Recommendations for the Way Forward

In order to make progress, countries must prioritize agriculture and rural development, and their fiscal budgets must reflect this commitment. On the international level, initiatives and organizations such as the NEPAD, ECOSOC, Poverty Reduction Strategies (PRS), and the MDGs should be used to mainstream and reflect explicitly the priority to be given to the pursuit of a Green Revolution. African countries should share experiences and learn more from each other's successes.⁴⁰

Investment in agriculture is only one piece of the puzzle. Peace, security and stability are pre-conditions for any kind of economic development, and these circumstances can be created only through good governance, accountability and transparency at the national level. At the present time, many African agricultural policies are skewed in favour of rich and large farm holders. To correct this, policymakers need to seek broader participation of rural communities, women, and other marginalized people as well as the input of civil society. Only through democratization and decentralization can countries formulate, design, and implement successful Green Revolution programmes.

³⁹ The SDPRP is implemented in collaboration with the Sasakiwa Global 2000 Programme.

⁴⁰ The co-chair stressed the importance of constructive debate and called on African delegates to refrain from denouncing government policies at international conferences.

A delicate balance between social and environmental concerns must be struck when considering imported technologies versus the development of indigenous technologies, and the quest to improve agricultural productivity. For instance, resource-poor farmers need improved technological inputs to be accessible and affordable, but only when the technology is implemented in a sustainable way can it have a lasting effect on the rural communities. Natural resources must be maximized and protected: for example, many African countries need to significantly increase their utilization of their water resources for agriculture and rural development. There is need to invest in irrigation capacities in Africa, both for small-scale and large-scale farms, and in order to do so, the donor community needs to reverse its past aversion for large scale irrigation.

Agriculture research and extension services need to be revived extensively in Africa. OECD countries and developing countries alike should work to reform the system of intellectual property rights that has been blocking Africa's access to innovative agricultural technologies. Pilot projects should be developed and implemented for research and extensions services to impart knowledge to rural farmers. Agriculture training colleges and research centres should also be established and reinvigorated in order to strengthen the inter-linkages between the pillars of the agricultural knowledge triangle: agricultural colleges, agricultural research centres, and agricultural extension services.⁴¹ In addition, development of agro-industries as well as the necessary infrastructure, such as rural electrification and water, can help to stem the flow of migration from rural areas.

Development of efficient infrastructure, both in terms of physical structures and access to markets, is critical for the efficiency and competitiveness of Africa's agriculture. Commitment is needed to invest consistently in basic infrastructure for agricultural production, markets, transport, communication, water, and energy. Particular emphasis is needed on developing adequate transport networks for efficiency in movement of agriculture goods and services at national, sub-regional and regional levels. To promote broad-based agricultural development for poverty eradication and food security in Africa, it is necessary to integrate Africa's agricultural markets at the sub-regional and regional levels and develop investor friendly environments in African countries. In addition, developed countries need to improve access for Africa's agricultural products to their markets.

⁴¹ Participants called on the International Agriculture Research Centres to realign their strategies in order to reflect national priorities.

Sustainable Agriculture and Rural Development: The Need for Humane, Sustainable Livestock Production Methods⁴²

by Dr. Michael C. Appleby, Vice-President, Farm Animals and Sustainable Agriculture, The Humane Society of the United States

Feeding the World

When considering growing populations and increasing need for nutrition in developing countries, one must keep in mind the livestock sector of agriculture. Unfortunately, to date such consideration has often involved simplistic assumptions. First, it is assumed that a large increase in meat production is needed to meet a supposed demand for meat consumption; in fact, other sources may provide for increased protein requirements more readily, more affordably and more sustainably. Second, it is suggested that industrial methods of meat production will provide “cheap food” for the needy. In fact, such food is only apparently cheap in developed countries, supported by subsidies that are not available in developing countries and incurring external costs that cause long-term harm to all countries, developed and developing alike. Worst of all, expansion of industrial livestock production, particularly under foreign ownership, damages the ability of indigenous farmers, especially in rural areas, to feed themselves and their neighbors.

The agricultural industry in developed countries increasingly talks about “feeding the World.” Unfortunately this phrase cannot be taken at face value. The drive for efficiency in this industry has been self-defeating in economic terms: profits achieved by cutting costs are short-term, as they are constantly pared away by competition on prices. As such, the industry is seeking to increase exports (including to developing countries); to restrict imports from foreign suppliers that will compete with their home market; and to build facilities abroad with even lower costs than at home, then to re-import the products themselves.

Concentrated Animal Feeding Operations will not be able to provide meat to more than a relatively affluent urban minority, especially given difficulties in refrigeration, distribution and so on. By contrast, many studies show that local, small-scale, indigenous farming systems can be helped to become more productive while improving sustainability.⁴³ Such systems often utilize live-

stock, increasing the supply of meat protein to the farming family and the surrounding community.

Sustainability

Concentrated Animal Feeding Operations are intrinsically inefficient for protein production, requiring a regular input of plant material to feed the animals, much of which could have been used for human food. They have two other major problems for sustainability. First, they require considerable water supplies. Second, they produce huge quantities of manure, with toxic concentrations of nitrogen, phosphorus and antibiotics, and all too frequently this results in soil and water pollution. Small-scale livestock production, on the other hand, can utilize local resources much more effectively and recycle the manure to improve, rather than reduce, productivity.

There are other problems for sustainability that arise from the globalization of agriculture. Movement of materials, animals and products (accumulating what are known as food miles) uses non-renewable fuel and produces pollution, while also increasing the risk of spreading disease—as happened within the UK in the recent outbreak of foot-and-mouth disease. These factors suggest that, contrary to the current pressure for liberalization of agricultural trade, there should be considerable reductions in movement of animal feed, animals and food from animals, both internationally and within countries. Diseases also spread more rapidly in the hugely concentrated animal populations kept in industrial systems—as is happening now in U.S. poultry with exotic Newcastle disease and avian influenza.

One of the central problems with industrial-style animal agriculture is that it has taken a technical approach, seeking mechanical, chemical and technological solutions to problems, rather than biological—using animal-centered approaches such as integrated, ecological, free-range systems. This has resulted in negative consequences for the environment, food safety and food quality as well as for animals. As an example, consider the practice of feeding cattle infected, animal-based feed, which in turn produced bovine spongiform encephalopathy (BSE).

Humane, Sustainable Livestock Production

To take a humane approach to farming is to remember that these are animals we are dealing with, not just economic units or machines, and to use biological rather than technical solutions to problems. Such an approach would

⁴² From the ECOSOC brainstorming session on 24 March 2003.

address the major problems of sustainability in livestock production; for example, if animals are kept on bedding rather than concrete, this changes the manure handling system and reduces the chance of run-off and water pollution. Humane farming is sustainable, and sustainable farming is humane.

In the vast majority of cases worldwide, improving conditions for livestock will also improve their productivity: helping animals will also help their owners. For example, in many developing countries basic measures for preventing disease will be beneficial to both farm animals and farmers. Only in highly concentrated industrial agriculture does improving animal well-being potentially have an economic cost. Such production is unsuitable for increasing food availability in developing countries, so it is apparent that humane approaches to farming are appropriate for both the food-poor and their environment.

Humane treatment is not easily defined, and it is not achieved simply by maximizing animal survival and growth. It will always be subject to interpretation and to the beliefs and practices in different countries. However, by keeping the humane treatment of animals as a priority, we can begin to make truly sustainable progress in agricultural development.

⁴³ See, for example, Pretty & Hine's 2001 report for the UK Department of International Development: "Reducing Food Poverty with Sustainable Agriculture."

The Critical Role of Smallholder Agriculture⁴⁴

by Peter Gubbels, International Program Director, World Neighbors

The current thinking about rural development is outdated and requires a radical re-orientation. Poverty is rising, especially among those practicing “higher risk agriculture,” in marginal and remote areas that are poorly integrated into markets. These poor, small-hold farmers face not only the challenges of daily survival, but also the encroachment of high-input, commercial agriculture that is degrading critical natural resource systems. Models of agricultural intensification therefore need to be reconsidered, especially in higher risk agricultural environments, to both meet the needs of hundreds of millions of undernourished rural poor, whose survival depend primarily on small-scale agriculture, and also to regenerate critical ecosystems.

Many examples from Africa, Asia and Latin America demonstrate that sustainable intensification of agriculture by small-scale farmers is possible in degraded rural areas. With low external inputs, agro-ecological farming methods can more than double agricultural production while also promoting environmental regeneration and local economic and social development. Despite this growing body of experiences in remote, high-risk production areas, most initiatives remain localized “islands of success.” The predominance of “islands” reflects the limits of bottom-up development within current policy, institutional, and governance constraints. The current agricultural policy paradigm will no longer do because many current policies are biased against the interests of the rural poor.

Existing policies in much of the world favor industrial, export, and high-input agriculture. They work against the creation of effective models for sustainable agriculture and rural development for higher risk environments. To change this, the marginalized rural people and their organizations must be empowered to help make policy and to negotiate with a decentralized state and the private sector in order to establish a balanced, pro-poor rural development agenda.

This requires treating the smallholder peasant sector as one of the cornerstones of national economic and agricultural development, rather than a transitional social safety net along the road to urbanization and factory wage labor. Unfortunately, of the 16 or more Rural Strategies for Poverty Reduction, only two address smallholder agriculture in a substantive way.

The Challenge

Between 1.9 and 2.2 billion people live in marginal, ecologically fragile, rural areas in developing countries of Asia, Africa and Latin America. Their agricultural systems are complex, high risk and low yield (less than 1 ton per hectare) and are characterized by poor soils, hillside slopes, arid dry lands, erratic rainfall, periodic drought, and menacing pest complexes. Their land is ecologically fragile, highly vulnerable to erosion, degradation, floods, landslides. Most of the extreme rural poor live in remote areas with limited access to roads, markets, inputs, irrigation, technical support, and social services.

The small-scale farmers, herders, and landless rural laborers who live in these systems are the world's struggling underclass. They constitute almost four-fifths of the world's estimated 800 million chronically hungry people. The vast majority of this large group of undernourished people depends on agriculture to provide most of their own food supplies and any cash income needed to purchase goods and services. Even with dramatic increases in non-farm economic activity, agriculture will remain central to secure livelihoods, and as such, off-farm employment will be less important than agricultural development strategies to raise food production and increase its diversity and stability. As global economic growth continues, such areas are likely to fall further behind, concentrating poverty and environmental degradation where rural populations are rapidly growing.

In addition, many of the rural poor are indigenous people, low caste or ethnic minorities. They are generally excluded from the key arenas of power and policy-making, despite the rhetoric of 'pro-poor' development strategies. The marginalization of such a huge mass of people is an affront to the expectations of sustainable rural development, as well as the UN Millennium goals.

Key Policy Issues

There has been an apparent political willingness to accept a rather rapid rate of decline of peasant farming and the transition of poor peasants into pure wage laborers on commercial farms or in the cities. Current approaches to hunger reduction emphasize investments to increase aggregate food production, raise farm incomes in high potential agricultural areas, and reduce food prices to consumers, while providing direct assistance to the poor and marginalized "low potential" areas through food distribution and food aid.

⁴⁴ From the ECOSOC brainstorming session on 24 March 2003.

For decades, it was assumed national economic development would lead people farming in such locations to leave for more productive regions, or the cities, so neither agricultural development nor research was focused in these low potential areas. But despite significant migration, the rural underclass has been prevented from joining the formal urban economy by lack of education, training and access to regular employment opportunities. Therefore, one has to ask whether peasant farming can be connected to new sources of global capital or, at least, protected from the potential downside of liberalization.

Unrealized Potential of So-Called Marginal Areas

The production potential of “marginal areas” has gone largely unrecognized for many years. People have failed to see that these areas could in fact meet the food security needs of the rural poor and even generate commercial surplus. Even in unimproved or degraded areas, farming communities have adopted regenerative agriculture and used low external inputs to substantially increase agricultural yields, while at the same time protecting or even regenerating natural resources.

There are many diverse methods to address soil nutrient constraints, nitrogen fixing legumes, intensified fallows, combined use of organic materials and chemical fertilizers that build up organic matter. These interventions, however, have not been widely disseminated in official extension programs that typically follow a fertilizer-only model.

While many case studies from a variety of agro-ecological and socio-political contexts exist, most remain isolated “islands of success.” Their value, aside from the benefits to the poor farmers involved, is to help us understand the policy contexts and instruments that promote sustainable agriculture and social change.

Elements of Success

There are a number of positive developments in technology, research, and social systems that inspire optimism for the future. So far, these developments affect only relatively small pockets of population, but they can serve as laboratories for future expansion.

One such island of success is the use of Resource Conserving Technologies (RCTs) to conserve existing on-farm resources and also introduce new elements into the farming system that add value to these resources. The three main categories of resource-conserving technologies are: Integrated Plant Nutrition, Integrated Pest Management, and Soil and Water Conservation. The

most effective RCTs are multi-functional and favor natural processes over external inputs with the aim of reducing costs and adverse effects on environment. Ecology, microbiology, and biochemistry advances have made it possible to analyze and manage soil nutrient and water flows, nitrogen fixation, and pest-predator interactions that might offer effective approaches to pest control.

NGOs have likewise proved themselves to be a cause for hope. In most cases, specialized NGOs served as facilitators and intermediaries to catalyze community processes of farm and ecosystem improvement. Often this includes not just technical skills, but also the use of specialized staff to work as organizers, motivators, and animators. The key is not technology but local governance and empowerment. There is little long-term gain unless local rural institutions are strengthened.

Farmer participation in all stages of technology development and extension is also a key factor of success. Case studies show that agricultural and pastoral productivity was as much a function of human ingenuity and capacity as of biological and physical processes. Strengthened farmer capacity for technology development was partially achieved by promoting farmer learning networks, in which farmer leaders exchange experiences and lessons in developing local technologies. Almost all case studies reveal that volunteer or part-time farmer extensionists are far more effective and cost effective than government extension workers. The successful farm communities introduce resource-conserving technologies in a strategic way to improve both short and long-term productivity. They minimize use of purchased inputs and enable farmers to increase productivity of their land by converting labor resources, which often have low opportunity cost in off season, into productive assets. They also work to improve knowledge resources about agro-ecological methods.

The “low potential” areas actually have many assets to offer, including property and natural resources, savings and credit, health and education, leadership systems, membership in formal organizations, kinship groups, learning networks. With appropriate support to build such local assets, farmers can diversify local diets, create conditions for high return on inputs, reduce risks, and restore critical watersheds. This leads to long-term and sustainable increases in productivity.

Sustainable agriculture often requires coordinated natural resource management efforts such as soil and water conservation. A critical factor of success will be to strengthen the capacities of existing or new community-based

organizations or groups representing marginalized farmers. The types of local groups include natural resource management groups, farmer field schools, farm research groups, farmer to farmer extension groups, tree growing and protection associations, and pastoral and grazing management groups. Ecosystem functions are essential to ensure continuing food production, watershed management, and predator-pest relationships. Successful farming systems meet both food production needs and also protect critical ecosystems, forests and ecological services.

Why Only Islands of Success?

Successes at the project level have not or cannot be translated into public policy because of costs of scaling up, or the lack of incentives, or unfavorable institutional environments. Because they are not rooted in a broader policy context with strong institutional backing, these islands of success frequently fail to spread or be scaled up. In adverse policy climates, specialized and capable NGOs can succeed on a small scale, but then come up against their institutional limitations. What works for one local territory may not work in another, one that has different assets and weaknesses.

Some of the obstacles to sustainable agriculture in marginalized rural areas are:

- Most technology promoted by extension services was developed for systems with lower production risks, and less depleted resources. Marginalized small-scale farmers lack suitable technology for very rapid conversion to permanent cropping systems.
- Agricultural extension services are poor or non-existent in remote rural areas. Where they exist, extension approaches are top down.
- World Bank reduced lending from nearly 6 billion dollars in 1986 to 2.7 billion in 1996. Of this remaining investment, most goes to the more favored agricultural areas, and much less to the so-called marginal lands.
- Lack of rural roads, infrastructure, technical and financial services. In this context, market reforms have only a weak supply response.

Existing policies favor industrial, high-input agricultural development, in part because many scientists and policy makers argue vigorously that this model is the only path for agricultural development. They ignore the fact that there is no accepted sustainable agriculture development alternative for higher risk environments. In addition, most normal development planning is highly centralized, does not involve major stakeholder groups as partners, is focused on

a narrow technical view, and does not take into account social economic or environmental complexities.

Policy Implications

The current paradigm of agricultural policy will no longer do. A more disaggregated and responsive set of policies and processes is needed, particularly for those for whom many public and private policies do not work—the small-holder and peasant farm families.

Between now and 2015, significant investments in rural development and agriculture should be concentrated in regions where poverty and hunger are highest. The goal should be increases in broad-based sustainable production increases among farmers currently producing less than 2 tons per hectare. Identifying and developing viable policy options for improving the sustainability of agriculture and regenerating rural economies will require multi-stakeholder approaches to policy formulation. Above all, the marginalized rural people must be empowered to make policy rather than merely ignore, evade or suffer its consequences. Policymakers should create the right environment for peasant farmer organizations and new social movements to be partners in decentralized policymaking. In policy terms, this requires governments to provide a non-hostile institutional and legal framework for indigenous peoples, peasant organizations and producer groups from marginalized areas.

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The Promise of Cooperatives⁴⁵

by Kristin Penn, Director, New Business Development, Land O'Lakes, Inc.

Founded in 1921 by a group of Minnesota dairy producers, Land O'Lakes today is the premier U.S. dairy food producer with sales all across the United States and in more than 50 countries. It is still member-owned, with now more than 300,000 members, either directly or through 1,000 community cooperatives that span 38 states.

The Land O' Lakes vision is to bring our concepts and support to producers and communities worldwide, helping them add value to the resources they have and the resources they can attract. Land O'Lakes approach is highly practical, helping producers improve the businesses they do well. Cooperative success has been enormous and extends far beyond farming to all of rural community life. It is also beginning to succeed in poor urban areas.

About 25 % of all U.S. farm production is handled by cooperatives—for milk the figure is 80 %. Cooperatives have brought amenities to millions, including electricity, telephones, credit services and many other benefits urban people take for granted. Ninety million people participate in credit unions and millions of others participate in housing, consumer, telecommunications and other forms of cooperatives. Increasingly, cooperatives that support rural people are working with the inner-city poor, especially recent immigrants and minorities.

And, work overseas is supported by the U.S. cooperative community in the conviction that the tested techniques which have helped millions in developed countries can be adapted to help people in lesser developed countries attain a better way of life.

Central Planning caused the term "cooperative" to become pejorative to some. But to Land O' Lakes and others worldwide, it represents a proven, effective approach. Simple as it seems, it works because it empowers members, represents equity, is effective, and is based on well-tested market principles. The cooperative approach represents voluntary organization to build on whatever resources are available. As long as cooperation continues, the effort enhances the value of member resources.

For more than 40 years, American cooperatives have been an effective partner with the U.S. Agency for International Development and the U.S. Department of Agriculture, applying free market cooperative systems to achieve sustainable rural development. Cooperative enterprises are based on economic

incentive, solid business plans and a clear linkage within marketing systems that bring people into the mainstream economy. The cooperative approach promotes grassroots democracy and empowers people through self-help, community action resulting in ownership of their cooperative business and long-term dedication to making the business work for its members. Cooperatives jump-start rural development and lay the foundation for greater prosperity through profitable cooperative business that enables greater community investment in their infrastructure.

Since formation of the International Development Division in 1981, Land O'Lakes' cooperative approach and contribution to rural development has been driven by practical business solutions that eliminate production constraints, boost investment and efficiency, and increase the flow of agricultural products through a marketing chain.

Following is a brief description of a few Land O'Lakes rural development activities where cooperative development is a strong component of the initiative.

Albania: Effective Producer Group Organization. The initial effort in Albania included more than 8,000 smallholder farmers—men and women—in intensive programs of education and outreach. Farmers were organized into 400 highly effective working business associations of 15 to 20 families, regularly provided productivity training delivered by a team of 20 women extension agents. The team, together with local producers, was able to facilitate access to input supply, breeding and financial services. Land O'Lakes now is moving into a follow-up effort to build upon its organized producer base livestock service centers around milk collection sites owned and managed by the groups. Thirty livestock service centers have been established as sources of inputs and information and serve as conduits for product marketing activities.

Uganda: Value-adding and Consumer Marketing. In Uganda, Land O'Lakes has successfully organized 80 producer cooperatives and processing systems, improved quality control practices on the farm and in plants, and new product investment by seven processors. These investments have stimulated growth of per capita consumption of dairy products by 15 percent.

Montenegro : Access to Services. In Montenegro, a country-wide network of 33 rural producer associations with more than 9,000 members. These associations effectively solved feed distribution problems by forming a Producer Trade

⁴⁵ From the ECOSOC brainstorming session, 24 March 2003.

Association to purchase one million dollars worth of feed inputs directly from suppliers.

Malawi: Productivity through Breeding Services. In Malawi, Land O'Lakes has assisted more than 18 Milk Bulking Groups to organize and provide productivity training to more than 2,000 dairy producers. In partnership with World Wide Sires, 54 artificial insemination technicians have been trained including nine women that were the first female technicians in Malawi. The technicians have established 15 private profitable AI private units.

Macedonia: Quality Control and Market Share Improvement. The Land O'Lakes Macedonia Activity supported dairy and meat processing entities and sheep producers of special "mountain" cheese to sharply improve product quality and presentation and to establish an industry association that manages a quality certification program. The program's branding strategy effectively promoted import quality domestic products to Macedonian consumers and encouraged processors to achieve ISO 2001 and HACCP quality standards.

There is effective power when farmers cooperate around their shared needs and common purposes. Cooperatives effectively harnesses group power for the good of each member without compromising individual freedoms. Cooperatives continue to prove themselves the world over, performing even in the most seemingly chaotic circumstances. These are enterprises structured around the individual, functioning for the whole, and helping to propel both markets and societies into self-determined prosperity.

Agricultural Extension⁴⁶

*by Clive Lightfoot, President of the
International Farming Systems Association*

The International Farming Systems Association supports recent moves by governments to promote farmer-demand-driven extension. The Association understands that farmer-demand-driven extension focuses on moving from a situation where farmers are recipients of extension campaigns planned for them by their government to where farmers demand the services they want from public or private, profit or non-profit service providers.

The Association applauds those pioneering governments that are working to develop motives for farmer-demand-driven extension programs that effectively use public funds and achieve environmentally sound and socially equitable development. These programs foster the empowerment of small holder farmers and encourage better governance at local levels and are therefore central to the National Poverty Reduction Strategies.

The Association observes, however, that conventional extension serving the more successful farmers still dominates and even where policies and operational guides are in place, targeting the resource poor is frustrated because of inadequate incentives and capacities. This makes it difficult for resource-poor farmers to plan, negotiate, and finance their service needs with public and private commercial or NGO service providers. All stakeholders, including competing farmer interest groups, should examine the consequences of supporting demand-driven extension.

The Association appreciates, from the lessons of many top-down extension reform operations, that there are no blueprints for pro-poor, demand-driven extension. There are, however, processes by which all stakeholders can learn together how to make demand-driven extension work for resource poor farmers. Multi-stakeholder collaborative learning processes⁴⁷ can empower resource-poor farmers to demand services and negotiate with public and private service providers.

⁴⁶ From the ECOSOC brainstorming session on 24 March 2003

⁴⁷ Lightfoot, C., R. Ramírez, A. Groot, R. Noble, C. Alders, F. Shao, D. Kisauzi, I. Bekalo, *Learning Our Way Ahead: Navigating Institutional Change and Agricultural Decentralization*, Gatekeeper Series 98. IIED, London, 2001.

Lessons Learned

Over the last five to ten years, lessons in participatory learning approaches and collaborative management have been learned. These include:

- Ensuring that local stakeholders own the collaborative learning process at the village and district levels, using existing legitimate organizations, thus avoiding ‘hijacking’ by those motivated by money and projects.
- Utilizing vision-based planning⁴⁸ that empowers resource-poor farmers to determine their own future development, demand services that support their visions, and take collective action to realize them.
- Encouraging all stakeholders, particularly competing farmer interest groups, to say what they really think to each other and bring transparency to their decision making.
- Facilitating direct interaction between conflicting stakeholders, which assures that the perceptions and interests of each stakeholder are acknowledged and helps them discover their inter-dependencies and the potential mutual benefits from collective action.
- Integrating innovative farmers and researchers into the mix of service providers that stand to respond to farmer demands.

The last five to ten years have also seen some hard lessons from the failures of participatory learning approaches and collaborative management. Some of the major threats to the emergence of demand driven extension are:

- Lack of consistency between national authorities’ top-down interests in commodities and enterprise development, on one hand, and smallholder farmers’ bottom-up desire to improve natural resources and public goods, on the other.
- Lack of long-term vision by communities as they move away from immediate problem solving to big-picture and cooperative planning.
- Lack of dynamism in government organizations that are hesitant to try new working practices and provide their staff with opportunities to innovate.

⁴⁸ The process of articulating a vision of what their village area would look like in 10 to 20 years time, including the natural resources, the farm lands, the houses, schools, clinics and other infrastructure.

- Lack of recognition by leaders of farmer organizations, service providers and government that time spent in multi-stakeholder collaborative learning is an important investment for the survival of their organizations.
- Lack of confidence among policy makers and managers in the organizational and innovative capacities of farmers.
- Lack of control over financial resources by farmers, making it impossible for them to pay service providers for the services they render.

■ Chapter 3

The Environment and Rural Development

*The Environment as Cornerstone of Rural Development*⁴⁹

An Overview

This chapter will address various aspects of the interplay between the environment and rural development. The first article provides an overview of the topic. The essay by Dr. Christina Amoako Nuama of Ghana focuses on sustainable natural resource management and the need to involve local communities in this process in a meaningful way. The next two pieces highlight the complex issues—environmental as well as economic—surrounding sustainable water use, and the fourth addresses the vital role that sensible forest management will play in rural development. The fifth essay takes an in-depth look at the work in the area of sustainable energy services being carried out by UNIDO and offers some valuable insights on the way to move forward from here. The sixth essay introduces the work of the e7, a non-profit alliance composed of nine leading electricity companies from G7 countries working together for sustainable energy development, and the seventh discusses approaches taken by the New Partnership for Africa's Development (NEPAD). The final piece wraps up the chapter with a summary of the issues covered as well as a specific consideration of the work being performed by UNDESA.

Protecting and managing natural resources in a sustainable and integrated manner is an overarching objective of—and an essential requirement for—sustainable development. The participants of the World Summit on Sustainable Development (WSSD), held in Johannesburg in 2002, asserted that attempts to link environment, economics, and social issues in practice thus far have been unimpressive and the outcomes of sustainable development projects

⁴⁹ Based on the issues paper for ECOSOC ministerial roundtable discussion, "Natural Resources and Rural Development in Developing Countries," hosted by DESA/Division for Sustainable Development, 30 June 2003, and on the speaking notes of W.J. Jackson, IUCN, World Conservation Union at the same conference. Also includes input from the ECOSOC ministerial roundtable discussion, "Land Use Practices and their Impact on Rural Development," hosted by the International Land Coalition and IFAD, 1 July 2003.

have been limited. This cannot be allowed to stand. The sustainable agriculture and rural development (SARD) concept is absolutely necessary in order to increase food production and enhance food security and food safety. Land, water, forests, mountains, and energy are all part of a complex and delicate environmental web that is not only of value as a global public good but, critically, often provides the basis for local livelihood security. The challenge for the present and the future is to alleviate poverty and achieve food security in an ecologically responsible manner that integrates the rural poor as active development partners.⁵⁰

Land is a finite resource, while the natural resources it supports, soils, minerals, water and biota, can vary over time and according to management conditions and uses.⁵¹ Drought and desertification, salinity, erosion from floods and other natural disasters as well as from man-made causes all contribute to poor soil fertility and land degradation, which threaten the livelihoods of over 1 billion people throughout the world. WSSD participants agreed on the importance of measures to prevent and combat desertification and to mitigate the effects of drought, through land, water and forest management; agriculture and sustainable rural development; early warning systems; and improved health and education institutions.

Access to land is an essential first step but not a significant condition for sustainable rural development. It must be linked with financial services, technology, capacity building, and markets. The question of access to land must be addressed within the local territorial realities and relationships where decisions on resources will be made.

There is keen competition also for access to fresh water in the developing world. Urban and rural households, industry, and agriculture all demand water, and this has led to increasing scarcity in many parts of the world. Lack of water supplies is a significant limiting factor in farming and livestock production in many countries, and it especially limits the economic activities of the rural poor, who also suffer from minimal or nonexistent access to potable water and sanitation services. Recognizing the central role of freshwater in all aspects of development, the WSSD reiterated the pledge contained in the seventh MDG—to halve, by 2015, the proportion of people without safe drinking

⁵⁰ The 1996 World Food Summit, the Millennium Declaration, the World Food Summit: *five years later*, the World Bank's strategy for rural development known as "Reaching the Rural Poor", and the WSSD, among others, have been instrumental in the fight to focus attention on the needs of the rural poor.

⁵¹ See Agenda 21, Chapter 10 [Rio, 1992]⁵² Geneva, 26 May-6 June 2003

water. The WSSD committed also to work toward cutting in half the proportion of people without access to basic sanitation. As a first step, the WSSD targeted the need to help developing countries establish integrated water resource management and water efficiency plans by 2005.

Forests cover nearly one-third of the Earth's surface and are important sources of a number of goods and services, including energy, food and biodiversity. The Secretary-General's report to the third session of the United Nations Forum on Forests⁵² estimated that about 500 million people living in or near forests—most of them poor—depend crucially on the forests for their subsistence and livelihood. Wisely managed forests have great potential to improve the conditions of the rural poor in terms of employment, income, food security and improved natural environment. A similar conclusion was drawn by a recent international conference on rural livelihoods, forests and biodiversity, which noted that forests provide a wide variety of goods for use or sale, including timber, fuel wood, charcoal, rattan, game, fruit, and medicinal herbs.⁵³ Forests also protect watersheds and fragile land and soil ecosystems. Maintenance of diverse natural resources can be particularly important in providing livelihood security in times of seasonal shortage, by providing alternative foods and other resources, and in times of crisis, such as drought, crop failure or even market failure.⁵⁴

Mountains generate more than half the world's fresh water supplies and also provide timber, minerals, agricultural products and hydro-electricity. Mountain tourism supports income-earning activities in rural areas as an alternative to farming. But persistent poverty, food insecurity, malnutrition and other health problems afflict mountain and forest-dwelling people, whose harsh environment prevents crop agriculture and limits their ability to achieve sustainable livelihoods and to rise out of poverty.

The development of sustainable energy sources and infrastructure is essential for the eradication of poverty. Modern biomass technologies, wind and solar power, and small hydropower facilities will all play a central role in successful rural development programmes.

⁵³ Bonn, 19-23 May 2003

⁵⁴ For example, in Salavan province, in the Lao PDR, the rural diet is dominated by glutinous rice which contributes 73% of total dietary intake during the rainy seasons. Forest foods are essential components of the diet, accounting for an average of 19% of total dietary intake in the rainy season. Approximately 44% of the total calcium and vitamin A and C intake, 25% of total iron intake and 27% of daily protein requirements come from the forest.

Challenges

The degradation of important natural resources in many parts of the world has been accompanied by a loss of biodiversity and of the many valuable environmental services that natural resources, including forests or wetlands, provide, such as the regulation of water flows and carbon sequestration. An innovative approach to prevent such loss would use market-based incentives and conservation techniques as well as offering new sources of income to support rural livelihoods.

Not all conservation efforts have a positive effect on poverty eradication, and some have even had negative effects, by limiting access to essential resources. The same, however, is true of some economic development. What is needed is a better approach to managing trade-offs between rural poverty eradication and sustainable ecosystem management.

Sometimes these trade-offs may be between environmental objectives and development interventions. Local people are often well aware of such trade-offs but lack alternative livelihood choices or are encouraged to ignore environmental consequences as a result of economic and policy incentives. While natural resources can have important direct positive benefits on livelihoods, they cannot by themselves lift poor people out of poverty in the long term unless the economic and social development of a community is taken into account as well.

Practical approaches to managing environment and development trade-offs will have to be built on the premise that in some cases societies will have to forego certain economic development, while in others, environmental values may have to be sacrificed at the site level.

The impact of trades-off can be minimized if they are conducted in an open, fair, negotiated process with meaningful involvement of all concerned stakeholders. The interested parties should do their best to ensure that the trade-offs are balanced at an appropriate scale, so that there is no net loss of ecosystem functionality or biodiversity at the broader landscape scale even if some losses occur at the local level.

The integrated approach to rural development and the “Ecosystem Approach” have many similarities, in terms of the perspectives they bring to poverty eradication and sustainable development. The Ecosystem Approach is a strategy for management of land, water and living resources that promotes conservation and sustainable use in an equitable way, recognizing that humans, with their cultural diversity, are an integral component of ecosystems. It is

important to recognize, as well, that there is no magic recipe or “one size fits all” solution, but a complex interplay between social, economic, political and environmental factors that need to be understood in order to address the tensions between decentralization on the one hand and globalization on the other.

Natural Resources and Rural Development in Developing Countries⁵⁵

by Dr. Christina Amoako Nuama, Former Minister for Lands and Forestry, Education, Science and Technology, and Environment of Ghana

Introduction

The conclusions of UNCED, the many other international conferences since then, and more recently of WSSD, have all had profound impact on how the global community manages natural resources, including forests, water, soils and minerals. Prior to these processes, economic outcomes were the main drivers of resource management. Now, countries are expected to give due consideration to the environmental and social impacts, in addition to the economic outcomes or objectives, of the management and use of natural resources.

Local and indigenous rural communities in many developing countries also have felt the effects of this trend. Rural forest-dependent communities are becoming more vocal and are demanding new openness and accountability from national and local governments with regard to resource allocation decisions.

Integrating Sustainability into Local Customs and Practices

Forest-dependent communities and indigenous people in our countries maintain that their approach to the management of their forests has always been guided by the requirements of good stewardship. Indeed, stewardship of these resources traditionally has been part of the spirituality of many such groups. What has changed is that society at large now expects such stewardship to manifest itself in particular ways.

It is incumbent on governments from both developed and developing countries to ensure that modern concepts of sustainability are integrated into traditional or customary practices. This may pose challenges, given the realities of population and economic pressures in many developing countries, but retaining traditional practices rather than displacing them will improve the chances for long-term sustainable development.

⁵⁵ From ECOSOC ministerial roundtable discussion, "Natural Resources and Rural Development in Developing Countries, Hosted by DESA/Division for Sustainable Development," 30 June 2003.

Economic Benefits

No one can doubt the potential economic value of forests and other natural resources to poor rural communities. Unfortunately, in the desire to derive economic benefits from forests, the emphasis and support has favoured the forest industry to the exclusion of the local people who live in forest areas. Governance structures often ignore the social and environmental damage that the forest industry may cause.

It is critical, then, that the various groups involved in the forestry business—the industry itself, the local and national governments, and the forest dependent rural communities—work together to foster economic success, environmental stewardship, *and* economic livelihoods for the rural poor. Market access must be genuine and based on a commitment to help developing countries improve their economic performance. Only then will these countries be able to afford the programmes that genuinely tackle the root causes of poverty.

Capacity Building and Costs

We cannot ignore the fact that “sustainability” has increased the cost of doing business. For example, the requirement to show, or “certify,” that the timber entering international trade has come from sustainably managed sources adds extra expenses for both government and the forest industry.

But, in the long-term, sustainability is the only possible course. In many developing countries, the forest and wood products industry provides the major underpinning for the national and local economies, not to mention the social and community frameworks for forest-dependent peoples. The developing and developed countries must therefore work together to meet the rapidly changing societal expectations for forest products management by sharing knowledge and appropriate technologies. These technologies need not be expensive. What is important is their relevance for the circumstances of individual countries. Meaningful on-going support is required, if we are to achieve the goal of true sustainability.⁵⁶

Sharing Lessons and Experiences

Furthermore, developing countries need to learn from each other, and to adopt practices and frameworks that have worked well in other situations comparable to their own. In this regard, the initiative by some donors to fund studies on sustainable forest management in Sub-Saharan Africa and elsewhere

⁵⁶ The recently held United Nations Forum on Forests gives us hope that much emphasis will be placed on capacity building and technology transfer of environmentally sound technologies.

are to be applauded. There are in existence already a number of very good multilateral programs, which can provide cost-effective natural resource management models for African countries. Examples include the Community-based Natural Resource Management (CBNRM) in West Africa, the FAO's Forestry Outlook Study for Africa (FOSA) aimed at providing regional and sub-regional strategic orientation for the development of the forest and wood products sector in Africa, and the National Forest Programme Facility aimed at helping countries achieve the National Forest Programme objectives.

Forest management is the collective responsibility of local communities, national and local governments, international donor agencies; multinational research organizations, and non-governmental organizations. Cooperation and collaboration with NGOs in forestry management is a recent phenomenon in the developing world that must be encouraged. The capacity and competence of many local or indigenous NGOs and community-based organizations will have to be improved if they are to play credible and meaningful roles in sustainable development. A new partnership, based on genuine collaboration and willingness to learn from each other is required to assist in the "journey without destination" that is sustainable development.

Poverty and Environment: Water as a Key to Sustainable Development⁵⁷

There can be no doubt that the developing world is in the midst of a water crisis. The problem has been addressed by the WSSD, the UN Secretary-General's initiative on Water, Energy, Health, Agriculture, and Biodiversity (WEHAB), and the MDGs. But although these initiatives have set clear and concrete goals, the problems are getting worse in many parts of the world. The weakness is in the implementation.

Water scarcity highlights the inextricable connections between poverty and the environment. As the participants of the WSSD proclaimed, the integration of the three pillars of sustainable development—social, environmental, and economic—is a prerequisite for success. The WSSD also recognized that without progress on water issues, it will be impossible to achieve any of the MDGs because water is critical for human health, sustainable agriculture (the sector which accounts for close to 70% of water use), gender issues, and land resources management. It is estimated that more people die annually from unsafe water than from war.

Sustainable Use of Water

While there is much focus on the economic costs of environmental protection, there is not enough focus on the costs of unsustainable use of environmental resources, such as water. The sustainable use of water provides economic benefits through good health and income generating activities, including food production. Conversely, unsustainable water use imposes costs through health problems, inefficient production, and unequal distribution of resources. More specifically, if water is used consistently at a faster rate than it is replenished, or if it is polluted, direct social and economic costs will be incurred.

For too long, the emphasis has been on hard infrastructure—concrete—and not enough on soft infrastructure—water governance. Water governance includes water policy, management, laws, institutions, political will, and the avoidance of corruption.

Expenditure on hard infrastructure is much more likely to be wasted if governance is inadequate. Take the example of the Aral Sea basin. There, the unsustainable use of freshwater resources for agricultural irrigation decreased

⁵⁷ Based on the issues paper for the ECOSOC ministerial roundtable discussion, "Poverty and Environment: Water as a Key to Sustainable Development," 2 July 2003, and the talking points of Klaus Topfer, executive director of UNEP, for the same conference.

lake water levels and quality to such an extent that the previously robust fishing industry completely collapsed. Nearly all investment in this industry now lies idle. In addition, the inefficient use of irrigation water in this semi-arid region led to salinisation and a subsequent decrease in agricultural production. Serious human health problems have arisen with wind-blown dust contaminated by agricultural chemical residues.

Using water unsustainably wastes water and wastes money, both of which are essential elements of sustainable development and poverty reduction. Water utility management inefficiencies contribute directly to poverty—in many cities water losses are 40% or more of total water supply. Sustainable water use, combined with sound management, generates income for water utility operations and for the expansion of water supply to meet the needs of the poor majority. Sustainable water use also generates sustainable income flows by producing items that can be sold. Conversely, unsustainable use undermines income-generating activities over time. It can threaten the biodiversity upon which so many indigenous and rural poor communities depend.

Human Use

Communities in rural, urban, and coastal areas feel the effects of the water crisis in a variety of ways. As malnutrition and starvation are still serious problems in many parts of the developing world, achieving food security is a high priority. Further, the trend in global population is still surging, as is the demand to grow and produce more food. This, in turn, has a direct impact on demand for irrigation water. Water resources are constantly being depleted or degraded by agriculture to the extent that, in some areas, agricultural production is undermined.

The world's urban population has risen from some 750 million in 1950 to nearly 3 billion today. Many poor urban areas lack adequate water supply—in an area of Nairobi that is only a ten-minute drive from the UNEP headquarters, the poor die from water-borne diseases. Water-related diseases, rarely seen in affluent areas, account for 80 percent of illnesses and deaths in the developing world.

In coastal communities, the damage takes another form. Nearly one billion people depend on fish as their primary source of protein. The degradation of coastal marine environments, the modification and destruction of habitats, over-fishing, subsidies, and pollution are causing catastrophic reductions of annual harvests for local fishing communities throughout the world. The WSSD called for an Ecosystem Approach to the management of oceans, seas, islands,

and coastal areas by 2010; regular reporting on the marine environment by 2004; and the reduction and prevention of wastes and pollution in SIDS by 2004.

Trans-Boundary Waters: The Importance of Equitable Benefit Sharing

Currently there are 263 rivers that either cross or demarcate international political boundaries, and shared waters potentially carry the risk of conflict—so called “water wars.” However, disagreements over the allocation of shared waters, to date, have rarely resulted in inter-state military conflict. In fact, cooperation and co-existence dominate on shared waters.⁵⁸ Nonetheless, population growth, economic development, and changing regional values are intensifying competition over water resources. It is not hard to imagine that as demands on water increase, so will the risk of conflict. It is therefore necessary, for peace, and also for sustainable economic development and poverty reduction, that all water users, including the environment and the poor majority, have a fair share.

Conclusion

Investment in improved water governance by governments and UN agencies is critical to ensure that our water use and stewardship are sustainable and that they contribute in a meaningful way to poverty eradication. For developing countries to participate in the development of international environmental policies and to implement international agreements at the national level, capacities must be strengthened. UNEP is currently developing an inter-governmental Strategy Action Plan for capacity building, institution development, and technology support. We need to work toward a holistic approach, considering, on one hand, health, poverty, food security, urbanization, globalization, and diversity, and on the other, capacity building, technology transfer, financing, and assessment.

⁵⁸ This is illustrated in UNEP's “Atlas of International Freshwater Agreements.”

Water Privatization⁵⁹

by Winnie Byanyima, MP, Uganda

Introduction and Background

To benefit from debt relief and/or concessional loans from the World Bank and IMF, developing countries are required to develop their own poverty reduction strategies through broad consultative processes in order to enhance country ownership. Participatory poverty appraisals are conducted to engage the poor themselves in defining the complex and multi-dimensional aspects of their condition. Most Sub-Saharan African (SSA) countries are at one stage or another of elaborating or implementing a PRSP.

The four pillars of Uganda's PRSP/PEAP (poverty eradication action plan) are: fast and sustainable economic growth and structural transformation, good governance and security, increased ability of the poor to raise incomes, and increased quality of life of the poor. Although civil society organizations (CSOs) were consulted in determining these priorities, they have not been involved in negotiating the loans to implement the PEAP.

One of the "prior actions," which the World Bank required the government to implement before the Poverty Reduction Support Credit (PRSC) could be disbursed, was to take steps to prepare the government-owned National Water and Sanitation Company (NW&SC) for privatization. The company is expected to implement full-cost recovery measures in order to become attractive to private investors. The actions to achieve this have included increasing the price of water, cutting off consumers in arrears of payment and encouraging sub-contractors to own taps and sell water in poor neighborhoods. The major lenders, especially the WB and IMF, believe that privatization of public services such as water will increase the efficiency and quality of service delivery. Public sector ownership is seen as too costly and inefficient. "Efficient water resource management requires that water be treated as an economic good," says the WB. And so privatization of water services is going on in many poor countries as part and parcel of the reforms recommended by the IFIs.

Rapid commercialization of water began in the early 1990s, although the literature shows that private sector involvement in water provision has existed long before (in France for example). The range of activities includes buying

⁵⁹ From ECOSOC ministerial roundtable discussion, "Economics and Rights: Interconnections in the Context of HIV/AIDS and Feminized Poverty," hosted by UNIFEM, 30 April 2003.

(small towns) remained under the central government's water department. This process of "cherry-picking" is intended to facilitate privatization, and it eliminates the possibility for cross-subsidization.

Some activities of the NW&SC have recently been privatized. Under the Kampala Revenue Improvement Project (KRIP), a German company has been contracted to collect revenue from consumers. The German government is the main investor in the water sector in Uganda. It is not likely that a different company will eventually buy the NW&SC, though the government is legally bound to sell by advertising publicly. Because of the nature of water services, water privatization creates private monopolies. However, the process of transfer from the public to the private sector is not usually transparent. Ugandan CSOs that participated in the PRSP/PEAP process are concerned that the new loan conditionalities which include water privatization were agreed without their involvement and that the government is managing the privatization process in a nontransparent manner. They would like to do a pre-poverty impact assessment of this sale before any commitments are made but it seems that it is too late now.

Gender and Poverty Impacts

The record of water privatization globally is that prices are increased sometimes by very wide margins to realize profits or to raise money for more investments. In Uganda the strategy of raising prices gradually has been used so as to minimize consumer resistance. For this, the donors have praised the Ugandan process. The consequences of sub-contracting and cutting off defaulters has a serious impact on the lives of the poor. When the supply is cut off, women have to collect water from a polluted river. Sometimes the choice for poor women is to buy less food and save money for a few jerricans of clean water from the youth who hawk it on wheelbarrows. But many women collect water from the river, which involves extra time and energy to haul the water uphill. This is an added burden to already over-burdened women.

The most common diseases in Uganda are water-borne, and relying on polluted river water compromises the health and hygiene of poor urban families. Poor urban women have to find ways of providing sanitation in a situation of water scarcity. Other trade-offs that women often make when they face higher water prices or cut-offs are school fees for children or even the education of girl children. Girls usually participate in water collection with their mothers. When water sources are far or on a steep slope, girls can suffer exhaustion and fail to cope at school or even drop out altogether.

and constructing dams and waterways, developing new technologies for water desalination and purification and building water delivery systems. Companies are involved in producing and selling bottled water. Exportation of water is on the increase and public water services including sewerage systems are being privatized.

Water is increasingly scarce. More than 95% of the world's water is too salty to drink. Available fresh water amounts to less than 0.5% of all the water on earth, without taking into account pollution, contamination, and other human activities, which shrink the water resource. The demand for fresh water increases with population growth. Misuse, poor water management, and inefficient distribution also increase the scarcity of water.

Water is needed for survival, so its market is universal, making it attractive to profit seekers. As a product, it has no expiry date and does not incur high marketing costs because of its prime necessity. As the gap between rich and poor widens within and between countries, elite markets for water emerge. It becomes possible to divert it from less profitable markets and to sell it to rich consumers. Water is now a highly profitable commodity.

The Policy Process in Uganda

Under Uganda's decentralized system of governance, provision of rural water and sanitation (W&S) is a function of the local governments. Although many functions such as W&S have been decentralized, resources are still concentrated at the center and local governments are not able to provide adequate services.

Most of urban water provision was transferred from the central government to the new NW&SC. The government has borrowed funds from bilateral and multilateral donors for the water department to develop and rehabilitate water delivery systems in small towns. When the work is completed they are handed over to the NW&SC to manage. As the company is being prepared for privatization, the question arises whether the private investor who takes over the NW&SC will inherit loans contracted to build infrastructure.

In Uganda, investors took the assets of the public companies but did not pick up the debts owed. Neither have they paid severance packages to laid off employees. It is therefore very possible that the government is borrowing public funds to build assets that in the end may not be paid back by the private buyer.

The most profitable part of urban water services (big towns) was separated and put under NW&SC and the less profitable and undeveloped part

Municipal authorities have found it increasingly difficult to pay their bills to the NW&SC. As a result market places and other congested places of work have been cut off from the supply. Women who dominate in the markets work in unhygienic conditions without public toilets or enough water to keep their stalls and walkways clean.

Despite measures to make public water companies attractive to buyers, private companies are reluctant to invest in improvements and expansion of infrastructure. The donors to the water sector in Uganda favour a further unbundling of the NW&SC so that poor areas that have not been paying well remain the responsibility of government while the new private investors would only be expected to expand services to the more wealthy areas.

Water privatization sharply contradicts the priorities of the poor, especially women and children, as articulated in the Uganda Participatory Poverty Assessment Project (UPPAP) report, "Learning from the Poor: A summary of Key Findings and Policy Messages." The report stated that access to clean water and the quality of water were high priorities for local people in rural and urban areas. Drainage, specifically, was the number one priority problem for flood-prone areas like Bwaise and Kisenyi. The report also found that local people expect that water should be provided free of charge, which would leave them with money to pay for food, medical care, or school fees.

Moreover, when water privatization is considered alongside other government policies, it becomes clear that the likely impact on the quality of poor women's lives has not been taken fully into account in the design of the PRSP/PEAP. It is also evident that economic gains that are expected may be undermined because women's productive time is adversely affected by water privatization in combination with other reforms in the public services.

Uganda has high HIV/AIDS prevalence. Per capita investment in health is still very low even by SSA standards. Yet the government introduced a cost-recovery program in health services. This policy was only reversed, abruptly, when it became a hot political issue during the 2001 presidential elections. A policy of home-based care where patients suffering from serious and infectious diseases such as TB are cared for at home and length of time in hospital is reduced to the barest minimum has recently been introduced. This policy, which is viewed as efficiency enhancing in terms of reducing the cost per patient treated, is actually a transfer of the burden of health care from the public service to women in their households. Poor women have to spend more time nursing family members and they must draw out of their meager budgets to buy essential care items.

Urban homes in Uganda have a high and disproportionate share of patients because hospitals especially referral ones are concentrated in towns. Rural people bring their patients to urban relatives homes to be near the hospitals. Privatization of water, home-based care and cost-recovery in health combine to make the burden of care longer and more difficult for poor women to manage. Lack of access to safe water increases the risks of infection to poor women and their children especially girls who help out in this work of care.

Workers' Rights

As part of the process of turning NW&SC into a commercially attractive entity, the workforce is being reduced. Most of the staff that has been laid off are those in clerical and unskilled jobs where women are concentrated. There is pressure on staff to resign voluntarily. When jobs are threatened, the male breadwinner mentality of managers makes them place women workers first in the firing line. A number of women have voluntarily resigned citing management pressure.

Forest Areas and Rural Development⁶⁰

The numerous functions of the forest make it a key natural resource, particularly for poor rural communities in developing countries. Forests are linked in innumerable ways to other environmental resources and to human society, and these linkages pose significant challenges to sustainable forest management. Often policies in various other sectors have unanticipated impacts on forests, and in thinking about the risks posed to forests, it might not be worthwhile to make distinctions between environmental and human factors. Forest fires, pests, diseases and droughts, for instance, are all, on the surface, natural occurrences. But one does not need to dig very deeply to see human behaviour among the root causes.

Just as human behaviour can influence the health of the forest, so can the wellbeing of the forest affect human behaviour and security. It is often noted that forests may be a victim of national or international conflicts but it is also true that scarcity or abundance of natural resources can help create the tension between groups that plays a catalyzing role in conflicts. Environmental degradation, which undermines the viability of human habitation, can pose a risk of initiating a vicious circle where environmental degradation and conflicts reinforce each other. Environmentally-induced conflicts are often local or regional in nature. However, global issues, such as climate change, are increasingly discussed in this context because of the unpredictable but serious and far-reaching human and environmental consequences.

Destruction of forests often means destroying the entire communities dependent on the goods and services that forests provide. The long list of factors causing deforestation, such as expansive and inefficient agriculture, landlessness, overgrazing, debt, uncontrolled logging, and poor governance, are all tied together in a complex network of primary and secondary causes. Because these causes are so complex, it is imperative that local communities be empowered to influence decisions about the stewardship and exploitation of the forest on which they depend on for their livelihood. National forest policies must take an integrated and participatory approach, particularly concerning land use, land tenure, planning and policies. Policies also need to be reinforced through vertical integration, from global to village levels, to ensure that regional, local, and community-level realities are respected. There are increas-

⁶⁰ Based on the issues paper for ECOSOC ministerial roundtable discussion, "Forest Areas and Rural Development," hosted by UNFF, 1 July 2003, and the summary of the same conference.

ingly promising examples in many developing countries and there is also much to be learned from the model of collaboration between the ministers responsible for forests in Europe.

There are many challenges facing forest management. The lack of markets for non-wood products and services impose difficult constraints. The recognition of where the non-market values of forests are really captured is one of the major policy hurdles while addressing means of implementation of sustainable forest management. Controlling and curbing illegal logging and related illegal international trade is another challenge, and it is one of the main reasons for the continuous undervaluation of the world's forest estate.

Understanding the linkages of forests with other sectors, and with the economy as a whole, is of crucial importance in anticipating the risks facing forests today. Beneficial results from these linkages and interdependencies can only be achieved through genuine public/private partnerships. While the Johannesburg Summit recognized that sustainable forest management is fundamentally important for food security and management of the water resource base, there are numerous other climatic, recreational, cultural and economic functions that society looks to forests to perform. Society also looks to forests to provide land for agriculture and development, which also poses a challenge to sustainable forest management. It remains to be seen whether forests can play a significant role in poverty reduction, or whether forests should play only a complementary role in livelihood strategies, a resource of last resort, a natural social security system. Most of the forest-related risks extend far beyond the traditionally-defined forest sector. It is therefore necessary to search for integrated approaches if sustainable development is to become a reality.

Rural Development and Sustainable Energy*

Global Challenge

Since strategies to combat poverty in rural areas need to be anchored in an expansion of economic activities, especially non-farm activities, access to affordable energy services is a vital prerequisite. Without it, it will be impossible to achieve the first MDG, to halve the proportion of people living on less than US\$1 per day by 2015.⁶¹

The energy consumption per capita in developing countries is one sixth of the average in industrialized countries. Though 800 million people in developing countries have been connected to power grids in the last twenty years, two billion people, mostly in rural areas in the poorest regions of the world, including sub-Saharan Africa and South Asia, still do not have access to electricity. The rural poor in these regions rely on traditional fuels such as wood, dung and agricultural residues to meet their heating and cooking needs. These patterns of energy production and consumption contribute to environmental degradation and deforestation as well as indoor pollution, which is a cause of serious health problems for small children and others.

In recent years, a global consensus has been reached, recognizing that enhanced international cooperation is required to bring energy services to all the world's population, particularly in rural areas. As these segments of populations do not easily attract private sector investment, this can only be achieved by combining strong national commitment, international cooperation, and public funding that includes public-private partnerships. Only then will these poor regions receive the necessary basic energy service delivery structures.

Affordable and sustainable energy for all people is critical to the achievement of the Millennium Development Goals:

- *Halving extreme poverty and hunger.* Energy is required for pumping water, for processing and grinding food, and for cooking and food conservation. Energy shortens the amount of time spent on these activities and on fuel gathering, allowing for other productive pursuits.

* Based on the issues paper for ECOSOC ministerial roundtable discussion, "Rural development," hosted by UNIDO, 30 April 2003, and the presentation made by UNIDO at the same conference.

⁶¹ In April 2001, the ninth session of the Commission for Sustainable Development declared the central role that energy access would play in the MDGs.

- *Achieve universal primary education and promote gender equality.* Energy powers information and communication, including distance learning, and provides for study in the evening hours. It can also shorten time spent on daily chores.
- *Reduce child mortality and improve maternal health.* Sustainable energy reduces indoor pollution and powers modern health equipment and refrigeration.
- *Ensuring environmental sustainability.* Renewable sources of energy reduce greenhouse gas emissions and deforestation.

What is Needed

Considering the scale of the problem, it is essential to improve access to reliable and affordable sources of energy. Currently, people living in urban areas and medium-sized settlements can expect that future electrification and infrastructure programmes will reach them. But new, specific programmes need to be formulated for those living in remote, rural areas, too far from existing energy sources or the electrical grid, and too poor to pay for the initial investment cost of energy-related installations. At present these people satisfy their basic energy needs by using a large amount of time and labor in order to gather the fuel they need. Any level of additional cash expenditure on a daily basis is considered to be a major burden.⁶²

In order to be affordable and sustainable in rural areas, energy programmes must draw on indigenous and renewable sources of energy (biomass, solar, wind and mini-hydropower), taking into account the development priorities of the national government and the suitability of different energy sources for different applications. These are the energy systems—based on decentralized and cleaner energy—that are best suited to meet the needs of the rural poor.

It is therefore clear that in order to be successful and sustainable, an approach is needed that combines the necessary infrastructure with complementary activities that address related economic, social and regulatory issues. Programmes targeted at these rural populations should work to develop energy services that are both reliable and low-cost, requiring minimal maintenance and repair, and incorporate the types of income-generating activities

⁶² Small Island Developing States (SIDS) are currently in most cases dependent on expensive fossil fuels and conventional biomass (wood) for energy generation. The negative impacts of these fuels on the environment as well as the heavy financial burden on the SIDS and the low efficiency of the energy use make these vulnerable countries a special case.

that are made feasible through the access to reliable and affordable sources of energy. They should emphasize capacity building and technology access with due regard to market mechanisms and government regulatory measures.

UNIDO Response

Against this background, UNIDO launched a special initiative on rural energy for productive use at the WSSD in Johannesburg in August 2002. This initiative aimed at demonstrating the technical and social viability of selected forms of energy generation, creating sustainable local enterprises to deliver renewable energy services, and identifying activities related to the production and use of energy that lead directly to income generation. The main features of the UNIDO initiative are the maximization of local inputs and assistance in building energy-related business opportunities. Apart from the immediate benefit of job creation and capacity building, these measures are also aimed at reducing the cost of the energy solutions, thereby increasing their economic viability.

The ultimate beneficiaries are the rural poor, who would gain access to affordable and reliable energy services for basic needs (cooking, heating and lighting) and for alleviating poverty through the establishment of micro and small-scale businesses.

It is evident that the approach will vary greatly from regions to region, since the obstacles and the opportunities are very different in, for instance, rural South Asia, Central America, or sub-Saharan Africa. Individual, tailor-made energy “packages” will have to be designed for different situations. However, the general approach for formulating a programme at the country level consists of four distinct stages:

Stage 1, determination of suitable pilot locations. A suitable pilot location will have sufficient renewable resources (biomass, wind, solar or hydropower) as well as the potential for income-generating activities arising from those sources of energy. It should also be in an area that is not currently being, nor in the foreseeable future will be, serviced by commercial energy providers. A survey in the pilot location will assess potential sources of renewable energy and suitable technology options. Also this stage will assess all technical, economic and regulatory obstacles. While UNIDO is aware that there are energy needs in energy-poor rural areas that might be best addressed through traditional fuels, an eventual mix of energy solutions would preferably be based on stand-alone energy-generating facilities, including mini-grids that use renewable sources of energy.

Stage 2, identification of productive uses of energy. The activities of this stage will encompass an analysis of those sectors, such as agro-industries, transport, telecommunications, and tourism, which have a potential for economic growth and employment creation when provided with access to clean and affordable energy services. It will be important to look at the institutional infrastructure needed to convert renewable energy technologies into viable business opportunities.

Stage 3, development of a comprehensive programme or "package." Depending on the selected energy solutions and the productive use opportunities identified earlier, an integrated support programme will be developed that would typically include the demonstration and promotion of selected energy technology option(s), with particular emphasis on local assembly and manufacture of equipment. It will be necessary at this stage to build the capacity of local partners and stakeholders as well as to develop financing schemes and maintenance and repair facilities. Local entrepreneurs will, with international support, participate in the programme implementation, operate and maintain the energy facilities, and replicate the demonstrated energy solutions. Also important will be assistance to the targeted population (energy users) in the development of income generating uses of the energy.

Stage 4, implementation of the comprehensive programme and design of mechanisms for replication. At this point the pilot programs of the energy technologies will be tested for viability and sustainability and then demonstrated to the community. Local entrepreneurs will be encouraged to run effective energy delivery and maintenance systems. Local assembly or manufacture of energy equipment will be promoted through effective transfer of technology, including training and financing schemes. The maximization of local inputs and/or manufacture is a central element of the approach. Apart from the immediate benefit of job creation and capacity building, this aims also at the reduction of the cost of the energy solutions, increasing the economic viability, and ensuring the absorption of the technology and the capacity to replicate.

Energy development should be accompanied by the establishment of appropriate support networks for rural (micro and small) enterprise and for maintenance and repair services. For this purpose, UNIDO has developed practical methodologies and tools to tailor the business and technical skill development programmes according to the needs of the entrepreneurs and communities. With improved access to energy sources, entrepreneurs will improve their production processes and management techniques and increase their prospects for starting up, expanding and diversifying enterprises.

The above-outlined strategy ultimately focuses on assistance to local entrepreneurs for creating and improving sustainable enterprises, which will, in turn, facilitate access to modern energy for large parts of the population in rural areas. It is hoped that this will attract more financial resources for replication of the approach in other areas and will encourage public and private sector entities to adopt similar approaches.

Examples of Renewable Energy Technologies

The forms that energy solutions take will be determined by the availability of local sources of renewable energy and could encompass technologies such as micro and mini hydropower, biomass (biogas, fermentation, direct combustion), solar energy (photovoltaics, water heaters, dryers, water desalinators), and wind energy systems. A discussion of some of the most promising technologies will follow.

Small hydro power (SHP) The potential energy in falling water can be converted into mechanical and eventually into electrical energy. The amount of useful energy that can be captured is proportional to the vertical distance the water drops (the head) and the volume (flow rate) of the water. Hydropower stations connected to national electricity grids are often built as a part of large-scale investment projects including the construction of dams. UNIDO does not normally get involved in this type of hydro-power generation.

In the context of this initiative UNIDO focusses on smaller-scale projects such as mini-hydro (less than 1,000 kilowatt, kW), micro-hydro (less than 100 kW), and pico-hydro (less than 1 kW). The main electro-mechanical components of a mini-hydro system are the turbine and the generator. Other components include the physical structures to direct and control the flow of water; mechanical, electrical, and electronic controllers; and civil structures to house the associated equipment.

For most hydro projects, water is supplied to the turbine from some type of storage reservoir. The simpler and more environmentally friendly hydro systems do not influence the amount or pattern of water flow that normally exists in the river or stream. Such “run-of-river” systems may use a special turbine placed directly in the river to capture the energy in the water flow. However, such “run-of-river” systems require uninterrupted water flow throughout the year. Consequently, the availability of adequate flow rates is critical. Data is gathered over a period of time—usually one year—using flow-meters installed at the prospective site.

Wind power. A wind turbine converts the energy in the wind into mechanical and then into electrical energy. The most common wind turbines in operation today generate power from two blades revolving around a horizontal axis mounted on a tower. Such horizontal-axis wind turbines usually include a gearbox, electrical generator, and other supporting mechanical and electrical equipment. Wind turbines are rated by their maximum power output. For commercial utility projects, large turbines in the range from 600 kW to more than 2 MW are used. The wind generators employed in UNIDO's rural energy projects are usually of the stand-alone type and small in size (less than 50 kW.) The power that can be generated from a modern wind turbine is practically related to the square of the wind speed. Therefore, the availability of good wind-speed data is critical to the feasibility of any wind project. Data is gathered over a period of time—again, usually one year—using anemometers installed at the prospective site. In off-grid applications, wind generators can be combined with other energy sources, such as diesel generators. Although the wind resource for any site is intermittent, it can be highly predictable and thus the output from wind turbines can be integrated into existing electrical grids (or mini-grids) with a high degree of confidence.

Bio-energy. Bio-energy is obtained from biomass—a term that generally refers to any plant or animal matter. Bio-energy in the form of heat or electricity can be produced by using biomass directly as a fuel or by converting it to biogas or liquid bio-fuels. The main sources of biomass are industrial and agricultural wastes and residues, such as sugar cane waste (bagasse), wood waste from forestry operations, and residues from other short rotation crops such as straw and husks; organic wastes from animal husbandry; and energy crops, such as sugar cane, corn and trees grown in short-rotation plantations.

The main processes for utilizing these biomass sources are direct combustion, usually of solids, in boilers or furnaces; gasification via a physical or chemical conversion process, followed by combustion in an engine, boiler, or turbine; biological conversion, via bacterial anaerobic digestion to methane-rich biogas for use as a gaseous fuel; or chemical or biochemical conversion to produce methanol, ethanol or other liquid fuels.

A bio-energy project can be designed to generate both heat and electricity, increasing its overall energy efficiency and financial viability. Such projects may also create a cost-effective solution to the disposal of agricultural or industrial wastes that may otherwise become potential environment problems—for example, UNIDO's sisal waste processing project in Tanzania.

Biomass resources are generally renewable, but only if the resource is harvested at the same rate it is grown and soil nutrients are not depleted. In addition to potential greenhouse abatement benefits, bio-energy projects can address many other environmental issues such as decreasing soil erosion, controlling nitrogen depletion, and protecting watersheds.

Solar electricity: photovoltaics (PV). Semiconductors that convert solar energy directly into electricity are called photovoltaic (PV) devices or solar cells. There are three main technologies in commercial production: monocrystalline cells (most expensive but highly efficient), polycrystalline cells (moderately priced and moderately efficient) and thin-film cells (cheapest and least efficient).

Solar cells are encapsulated into modules, several of which are combined into an array. A PV array is usually part of a system that may also include energy storage devices (usually batteries), support frames, electronic controllers, and inverters. The amount of power from a PV array is directly proportional to the intensity of the light hitting the array.

Typical PV system size varies from 50 W to 1 kW for stand-alone systems with battery storage and small water pumping systems; from 500 W to 5 kW for roof-top grid connected systems and larger water pumping systems; and from 10 kW to several megawatts for grid-connected, ground-based systems and larger building-integrated systems.

For rural areas in developing countries, PV technology may offer an immediate alternative to kerosene lamps, and for some uses, such as powering information and communication technology equipment, it may be the only cost-effective option.

Solar thermal: direct solar heating. The sun's energy can be collected directly to create both high temperature steam (greater than 100°C) and low temperature heat (less than 100°C) for use in a variety of heat and power applications.

High temperature solar thermal systems use mirrors and other reflective surfaces to concentrate solar radiation. Parabolic dish systems concentrate solar radiation to a single point to produce temperatures in excess of 100°C. The resulting high temperatures can be used to create steam to either drive electric turbine generators or to power chemical processes such as the production of hydrogen.

Low temperature solar thermal systems collect solar radiation to heat air and water for domestic and industrial applications including space heating for

buildings and greenhouses; domestic and industrial hot water, including pool heating; water desalination; solar cooking; and crop drying.

These technologies collect energy without (passive) or with (active) the need for pumps or motors. Energy is collected generally through the orientation, materials, and construction of a collector. These collectors are most commonly made of copper tubes bonded to a metal plate, painted black, and encapsulated within an insulated box covered by a glass panel or glazing.

UNIDO's Activities and Experience

UNIDO's core mandate is to enhance the productive capacity of developing countries in manufacturing, through technology transfer and investment promotion. In its approach to rural energy, UNIDO brings this expertise, which is unique in the UN system, to the local manufacture of energy equipment and energy generation, and transmission and distribution systems. UNIDO's comparative advantage in this specific approach is explicitly recognized by other players in international energy cooperation.

UNIDO also has been active in the agro-industry, specifically related to small- and medium-sized enterprises, general private sector development, investment and technology promotion, and cleaner production. For the development of rural and women entrepreneurship, in particular, UNIDO placed a specific emphasis on technical and managerial skill development, capacity to absorb technology, and women's asset management. Food-processing activities in rural areas, particularly by women's groups and rural entrepreneurs, would benefit from the availability of rural energy provision, as it helps them to increase and diversify their food production as well as to improve the quality of their products. UNIDO also supports Community-Production Centres (CPCs), which provide organized apprenticeship schemes and small-scale industrial village workshops. These CPCs benefit also from a stable and constant supply of energy.

In recent years, and particularly after the WSSD, the interest of donor countries in rural energy-related issues has increased considerably. UNIDO's integrated programmes incorporate the interests and concerns of governments and industry when targeting rural energy needs and issues. In particular, UNIDO has accumulated extensive experience in the establishment and support of multi-purpose platforms in rural areas in Africa, the promotion and installation of mini-grids based on mini-hydro systems, biogas production, and wind turbines. UNIDO also promotes renewable-based information and communication technologies (ICT) in rural areas.

Some examples of UNIDO's work are:

Cuba: Generation and delivery of modern renewable energy services in Isla de la Juventud. The main objective of the project is to displace the existing diesel-based electricity generation of the island's main electrical mini-grid with renewable energy alternatives. The project will identify, evaluate, and prioritize the barriers preventing increased uses of renewable energy sources and to find ways to overcome them.

Ethiopia: Technical Assistance in Identification and Removal of Barriers in the Rational Use of Energy in Small-and Medium-Scale Enterprises (SME) and the Application of Renewable Energy Sources. The project forms the energy component of UNIDO's Integrated Programme for Ethiopia (IPE). The objective of the project is to raise awareness of the cost-effectiveness of rational energy use. It also aims to build institutional capacity by strengthening the Basic Metals and Engineering Industries Agency (BMEIA) and by helping small and medium enterprises formulate and implement energy conservation measures.

Regional Africa: The Multifunctional Platform Initiative, a vision for rural (decentralized) energy supply. In many developing countries, particularly in Sub-Saharan Africa, where less than 8% of the rural population has access to electricity, poor people, especially women, spend many hours collecting water and firewood for food preparation and agro-processing. Widening access to modern energy services can decrease the amount of time spent on these and other tasks that sustain rural livelihoods.

Zambia: Renewable energy promotion through information and communication technology (ICT) introduction in off-grid rural communities: While the social and economic development opportunities that are offered by ICTs are potentially far reaching, until now it has been mainly the developed industrialized countries that have capitalized on them. This is widening the "digital divide" between the developed and developing nations, which in turn creates another hindrance to the progress of developing countries. By the obvious nature of ICT systems, power supply is an overriding condition in their operation and distribution. Utilizing renewables will provide a means of providing a power supply and creating the potential for the introduction of these systems into rural regions of DCs/LDCs.

Zambia: Renewable energy based electricity generation for isolated mini-grids. The main objective of the project is to support renewable energy distribution, through isolated mini-grids, to remotely located rural households on a sustain-

able basis in Zambia. The project also aims to identify, evaluate, and work to overcome the barriers preventing the increased uses of renewable energy sources.

China: Energy conservation and GHG emissions reduction in Township Village Enterprises (TVEs). GHG emissions from industrial TVEs constitute a major share of China's overall GHG emissions. The project aims to remove the barriers to energy efficiency in the TVE sector and to spread energy efficient technologies. Four sectors have been selected: foundries, cement, coking, and brick making.

Sub-Saharan Africa: Women entrepreneurship development (WED) in agro-industries. A majority of those working in food-processing industries, be they rural micro businesses or formal SMEs, are women. Many women entrepreneurs are also engaged in the textile/garment and leather goods production at micro- and small-scale enterprise level. Yet the productivity and profitability of their activities suffer due to the lack of access to credit and financing, marketing information, technology options, skill-development opportunities, and affordable and reliable sources of energy. To build capacity, direct training to women entrepreneurs and training of trainers should emphasize both technical and managerial skills, especially those using locally available equipment and forms of energy.

Cooperation Partners

UNIDO has established a network of links with specialist organizations and institutions at the national and international levels. UNIDO currently is strengthening and formalizing these links in order to involve its partners more systematically in the design and delivery of capacity-building services to developing countries. Among the main institutions and networks currently involved in this area, those that are of special relevance include The International Centre on Small Hydro Power (ICSHP, Hangzhou, China), The International Centre for Application of Solar Energy (CASE, Perth, Australia), The UNEP/UNIDO network of National Cleaner Production Centers, and The UNIDO Investment and Technology Promotion Offices. In particular, the UNIDO/UNEP network of Cleaner Production Centers, which has been in operation since 1994, covering nearly 30 countries, could be an important asset for UNIDO's activities in the field of rural energy.

UNEP is already supporting a variety of activities in the field of sustainable energy and climate change. In addition to UNIDO-UNEP partnership in the existing network of Cleaner Rural Production Centers, UNIDO is cooper-

ating with UNEP in their initiative to establish a "Network on Energy for Sustainable Development." Initial discussions were held with the Common Fund for Commodities (CFC), an organization concerned with economic viability of commodities, to explore possible biomass-based energy. A project using sisal waste for biogas generation is a good initial example of potential cooperation. FAO and IFAD are striving to promote the conservation and sound management of natural resources through encouraging sustainable agriculture and rural development. In the latter area and particularly in projects aiming at promoting renewable energies to fight deforestation and/or projects supporting agro-based income generation activities, joint activities could be developed.

In the context of the rural energy program, UNIDO will continue to cooperate actively with other relevant partners, including those from the private sector. During WSSD, for instance, contacts were made with two equity investment organizations interested in "green" investment in developing countries. Contacts were also made with organizations with specific interest in the energy situation of SIDs. Cooperation with such partners will be actively pursued in order to promote the initiative, strengthen the implementation, and mobilize the considerable resources required for developing and implementing the programmes at the country level.

As a new member of the UNDP-chaired UN Development Group (UNDG), UNIDO will try to introduce rural energy considerations more systematically in country-based cooperation frameworks, such as the UN Development Assistance Frameworks (UNDAF) and also those specifically linked to the MDGs. Also Poverty Reduction Strategy Papers (PRSP) may be another important frame of reference for country-level activities. Analytical work done by other organizations will be taken into account.⁶³

The Funding Strategy

Given the volume and diversity of action required, a structured approach to funding is required that includes a broad variety of potential partners. For larger programmes at the country level, special purpose contributions will be sought from donors, targeting the region or country, in addition to energy specific donors such as the GEF for components matching their mandate. Poten-

⁶³ In particular, "stage 2" activities described above could greatly benefit from recent studies carried out in many countries by UNDP/ World Bank under their Energy Sector Management Assistance Programme (ESMAP).

tial donors will be approached in the analytical phase, and if so desired, involved in the formulation of the assistance programme.⁶⁴

In addition a trust fund will be established by UNIDO, initially aiming at the following types of activities:

- Preparatory and programme development activities;
- Formulation of projects for funding by, for instance, the GEF;
- Co-funding of projects funded by the GEF or UNFIP (as both require in most cases third party cost sharing as a condition);
- Funding of small projects of a pilot nature, or related to the local manufacture/ income generation projects; and
- Projects in Small Island Developing States.

In addition, two international funds will be approached that have an energy specific mandate. The Global Environment Facility (GEF) is one of the largest funding sources in the UN system for financing programmes and projects related to the global environment in general and climate change projects in particular.⁶⁵ The UN Foundation (UNF) is working with the UN system organizations to foster innovative partnerships that promote an integrated response to issues such as sustainable energy. One of its stated focus areas is the promotion of efforts to develop and demonstrate sustainable and commercial approaches to deliver clean and affordable renewable energy services to rural communities. UNIDO is already an active participant in the UNF Programme Framework Group on Sustainable Energy and Climate Change.

⁶⁴ In addition UNIDO was involved in two other initiatives launched during the World Summit on Sustainable Development, one launched by the UK, one by the European Union.

⁶⁵ It is to be remembered that GEF is a funding mechanism for the UN Framework Convention on Climate Change and hence has a GHG emissions-reduction/ global environment mandate rather than a developmental perspective. This means that neither the costs of capacity building, nor the foreseen income-generation components, are fully fundable under the current GEF rules and strategies.

The E7 Public-Private Partnerships for Rural Energy Development⁶⁶

Despite the substantial progress toward sustainable development achieved during the past ten years, the availability, accessibility, and affordability of electricity for all people remains a major challenge. Modern though our world may be, nearly two billion people live today in energy poverty, without the benefits of electricity.

The e7 is a non-profit alliance composed of nine leading electricity companies from G7 countries working together for sustainable energy development. The e7's members are Hydro-Québec and Ontario Power Generation (Canada), Électricité de France (France), RWE (Germany), Enel (Italy), Kansai Electric Power Co. and Tokyo Electric Power Co. (Japan), ScottishPower (UK), and American Electric Power (USA). The mission of the e7 is to play an active role in protecting the global environment and in promoting the efficient generation and use of electricity. With its expertise in electricity generation, the e7 implements renewable energy projects and provides electricity related capacity building assistance to developing countries.

Since its creation in the wake of the Rio Summit in 1992, the e7's Network of Expertise has completed more than 30 human capacity building and technical assistance projects in developing countries, as well as two AIJ (Activity Implemented Jointly) in Indonesia and in Jordan. Through the e7 Fund for Sustainable Energy Development, the e7 has initiated capital projects in Ecuador, Western Africa, Bhutan, Bolivia and Zimbabwe.

In order to address the ongoing challenges facing the developing world, the e7 has identified two goals. The first is that electric companies should implement best practices to guide their operations. And the second is that electric companies should share their expertise in partnership with governments, nongovernmental organizations, financial and development institutions and technology providers from around the world to help focus their sustainable development activities on expanding access to electricity for all.⁶⁷

⁶⁶ From ECOSOC ministerial roundtable discussion, "Rural development and rural energy development," Hosted by UNIDO, 30 April 2003.

⁶⁷ These goals are supported by relevant sustainable development initiatives identified at the WSSD by the United Nations Commission on Sustainable Development. These initiatives are: 1) sustainable consumption and production, and 2) energy and technology transfer and capacity building.

The E7 Partnership with the Public Sector for Rural Energy Development

Given the challenges facing electrification in the developing world, cooperation with stakeholders is vital. The electricity sector should reach out to all interested parties to explain the need for focused, coordinated initiatives and to solicit stakeholder participation. Governments of all levels, financial and development institutions, technology developers, and NGOs are key stakeholders. Governments have the authority to establish the policy priorities, legal structures, and governance systems necessary for rural electrification, and appropriate institutional and regulatory frameworks are absolutely essential to attract the necessary foreign investment. The electricity sector, through its technical expertise, can lend its expertise to the design of public policies related to electricity and advocate strong legal structures to mobilize financial investment.

Nations must retain the right to use their indigenous energy resources, including but not limited to fossil fuels, because the economic development of a region will take its roots in the services rendered possible by the reliable supply of energy. By capitalizing on regional initiatives for economic integration and fostering the deployment of new energy technologies, the electricity sector can help optimize the use of the resources, increase economic development, and protect the environment.

In a successful partnership, stakeholders share the burdens of development, each one taking the lead in a different area. Governments can provide the policy and institutional frameworks that will attract investment and lower the risks of doing business in a given country. Financial and development organizations can provide funding to boost additional investment needed for electrification in areas where it cannot be done on a commercial basis. NGOs and technology developers can transfer technologies, best practices, and human capacity building for management and local institutional frameworks.

Since its inception in 1992, the e7 has established several partnerships with United Nations Agencies (UNDP), external organizations (ENDESA, ESKOM), multilateral development banks (World Bank, ADB) and with the national governments in countries where the e7 has undertaken projects in human capacity building and capital investment. In addition, several partnerships were signed by e7 during the WSSD. Partnerships are instruments to facilitate dialogue, engage stakeholders in a common goal and empower local communities in the development of their resources. The complementary na-

tures of the respective missions and expertise will help achieve greater progress toward rural energy development.⁶⁸

Models of Partnerships

Models for the rural energy projects within the framework of the new and existing partnerships will vary based upon the capability, human and financial, of the partners. Cross-sectoral approaches could be envisioned, as well as expanded services in the same domain of activity. However, the benefits of a multi-partner approach should be weighed against the additional costs for the coordination of such arrangements. The e7 favors a limited number of partners in small rural CDM projects in order to concentrate efforts, demonstrate results quickly, and focus on the main axes of sustainability, which are:

- Supply of a reliable, affordable energy;
- Environmental benefits;
- Social benefits including income generation and community involvement;
- Support through capacity building activities; and
- Monitoring of project results.

Based on its technical expertise, the e7 will conduct the necessary studies for the construction of a project and the development of an affordable, sustainable approach to providing electricity, while promoting environmental protection and the development of local community resources. Projects will be constructed by the e7 experts and other stakeholders and will be transferred to a local entity for operation and maintenance. Various financial schemes will be considered and developed with the assistance of the national and local governments.

In a successful public-private partnership, UN agencies would propose pre-screened CDM projects in remote areas, and the e7 would share its technical expertise and invest in the construction of affordable, sustainable electricity approaches. The e7 would promote best practices, provide capacity training to the local community, and offer ancillary services that contribute to community development. National and local governments would facilitate rural development by enacting regulatory and legal frameworks, establishing viable financial policies for rural electrification, identifying the community needs

⁶⁸ The partnerships signed at WSSD include the e7-UN Statement of collaboration, the e7-UNDESA Memorandum of Understanding, the e7- UNIDO Letter of Agreement, the e7- UNF Memorandum of Understanding, the e7-TERI Memorandum of Understanding, and the e7-UNEP Memorandum of Understanding.

and the potential for energy-related services, and promoting the field work. All partners would contribute by developing capacity programmes to strengthen communities' abilities to establish small enterprises and by identifying and implementing the foundations for economic development.

There are a number of conditions that need to be met in order for a partnership to be successful. They include:

- High level management support to help turn plans into concrete action;
- Support and involvement of the national/local governments;
- Excellent comprehension of the work and resources required;
- Sharing of tasks based upon the expertise of the partners;
- Continuous communication among partners;
- Strong coordination among partners, with one partner assuming the leadership in project implementation;
- Flexibility and light administration;
- Development of appropriate financial schemes for rural electrification; and
- Strengthening of local institutions.

A Step Forward Toward Economic Development and Poverty Alleviation

Rural energy development will bring electricity and energy services to underserved populations that will improve standards of living and foster economic development. Basic needs such as lighting and cooking will be met, and access to information and education resources also will become a reality for these communities. Access to electricity will stimulate productivity, job creation, and the emergence of commerce and local industries. The mechanization of production and the availability of power for pumping clean water, for grain milling, for irrigation and for agricultural uses will make possible great advances in economic productivity and social progress.

In addition, health and sanitation conditions will be improved in multiple ways. Foods, vaccines, and medications could be kept refrigerated. The switch from traditional cooking fuels to electricity will benefit women and children's health by reducing their exposure to indoor pollutants and by reducing the time devoted to traditional gathering of fuel wood.

Economic development in rural areas will also help to reduce the migration to urban areas that often leads to severe poverty conditions. The environment will be better protected and the new generating facilities will be installed in compliance with prevailing environmental standards. Rural renewable energy projects will reduce green house gases in many cases, and the diminished fuel wood consumption will help slow deforestation and erosion.

Sharing the Lessons Learned

The exchange of information within the sustainable development community is crucial for the stimulation of new partnerships for rural energy development.⁶⁹ Various initiatives have been developed with the intent to provide a platform for such exchanges. The Global Village Energy Partnership, the Global Network for Energy for Sustainable Development, and others provide this capacity of sharing the lessons learned from concrete actions. Such platforms will serve not only to inform the community about the successes and failures of various approaches to rural electrification but also to indicate to future investors the niches where sound investments have become viable, profitable, and replicable.

⁶⁹ The Electricity Sector Report for the World Summit on Sustainable Development is available on the e7 website at www.e7.org.

Rural Energy under the New Partnership for Africa's Development (NEPAD)⁷⁰

Background

The New Partnership for Africa's Development (NEPAD) was adopted by African Heads of State at the OAU Summit in Lusaka, Zambia in July 2001. It has as its objectives:

- To launch Africa on a path of sustainable growth and development;
- To eradicate poverty;
- To halt the marginalization of Africa in the globalization process;
- To restore peace, security and stability; and
- To promote the role of women in all activities.

NEPAD also adopted a number of the MDGs as a measure of its achievements. NEPAD recognizes the importance of infrastructure, including energy, ICT, water, and sanitation. Other priorities include human resource development, the environment, science and technology, culture, and agriculture.

The Energy Sector under NEPAD

NEPAD observed that the distribution of energy resources in the continent was uneven. In the light of the above, the objectives for the Energy Sector under NEPAD are:

- To rationalize the territorial distribution of existing and unevenly allocated energy resources;
- To strive to develop the abundant solar resources;
- To increase the percentage of Africans with access to a reliable and affordable commercial energy supply from 10 to 35 per cent or more within 20 years;
- To improve the reliability and lower the cost of energy supply to productive activities in order to enable economic growth of 6 percent per annum;

⁷⁰ Based on notes for presentation by Yvette Stevens, Director, Office of the Special Advisor for Africa, at the ECOSOC ministerial roundtable discussion, "Rural Development and Energy Development," 30 April 2003.

- To reverse environmental degradation that is associated with the use of traditional fuels in rural areas;
- To exploit and develop the hydropower potential of the river basins of Africa;
- To integrate transmission grids and gas pipelines so as to facilitate cross-border energy flows; and
- To reform and harmonise petroleum regulations and legislation on the continent.

Use of Energy in Rural Areas in Africa

The population living in rural areas in Africa uses energy in a number of ways. They cook, often using traditional methods, powered by firewood. They work in agriculture, food processing, and small-scale industry, using predominately manual labour. They use energy to power their social services such as hospitals, schools, and clinics. And they use energy for ICTs. In recognition of the importance of rural energy in meeting its goals, NEPAD includes cooperation in addressing rural energy needs in its short-term plan, designed to address urgent needs.

United Nations Response to Energy under NEPAD

Following a recommendation by the Secretary General, General Assembly resolution 57/7 called upon the United Nations system, within respective mandates, to align its activities in Africa with the priorities of NEPAD. It also called upon the UN system to form thematic clusters covering the priority areas of NEPAD. One such cluster deals with infrastructure and is under the leadership of the Economic Commission for Africa (ECA). The infrastructure cluster addresses issues of water and sanitation, energy, transport and ICTs. The sub-cluster on energy aims to operationalize the African Energy Commission (AFREC) and to help member States to provide an enabling environment for attracting investors.⁷¹

Conclusion

The choice of energy supply for any rural area should depend on availability of energy source, location of site, cost-effectiveness, and environmental concerns. The most appropriate energy plan may include decentralized and

⁷¹ A briefing on AFREC's approach for developing an Africa Energy Information System (AIES) was given at a workshop on Energy Statistics organized in Addis Ababa from 10 to 13 December 2002. AFREC was launched in early 2002 but is not yet operational.

centralized sources, renewable and non-renewable. Decentralized renewables such as small-scale hydro, wind power, solar power and decentralized non-renewables including bottled gas, small diesel/petrol engines, and briquettes could be combined with centralized supplies from electric grids, whereby a given village or set of villages receives power from a local system of power lines.

The link between the MDGs and access to energy is clear from the NEPAD documents. Nevertheless, it is not always clear whether the development partners give the necessary emphasis and support to the energy sector. As the implementation of NEPAD gets underway, rural energy should be given the attention it deserves, if poverty is to be alleviated among the vast majority of Africans living in the rural areas.

Rural Energy⁷²

*by Jayarao Gururaja, Senior Interregional Adviser,
Energy and Transport Branch, DESA*

Rural Energy Issues and Sustainable Development

It is important to consider rural energy issues in the broader context of energy for sustainable development. Many rural development activities—agriculture, irrigation, agro-processing, education, health care, transport and income generation—have energy requirements. Because of the crucial role that energy plays in rural development, and its linkage with social and environmental aspects, there is a clear need to address the issues involved in an integrated manner. Unfortunately, progress in this regard has been woefully slow.

In the 1970s and 1980s, attention was focused primarily on the fuel wood problem and solutions were sought in terms of plantations of fast growing trees, appropriate technologies for fuel-efficient stoves, biogas digesters, and charcoal and wood gasifier technology. In the 1990s, interest turned to expanding renewable energy technologies and rural electrification. Today, the dominant view is that improving the access to gaseous and liquid forms of modern energy, as well as to rural electrification, is essential if the objectives of sustainable development are to be achieved. This transition entails a shift away from inefficient use of traditional fuels in rural areas to more efficient liquid or gaseous fuels for cooking and heating. Electricity, made possible by rural electrification or decentralized energy systems, should be made available for most other uses. Energy has to meet not only the basic needs of households but also of rural industries and activities that help to create rural employment.

Rural areas in developing countries are not all agricultural fields and forests but are characterized rather by an extremely diverse physical environment, a broad range of traditional and new economic activities, unique social networks and century-old cultural traditions. Therefore one should not be looking for a “one size fits all” solution. Meeting the goal of providing basic energy needs (say, 100 watts per capita plus energy for cooking) to 1 billion people will require a mix of centralized and decentralized technologies and systems. Total cumulative investment required for meeting the above goal has been estimated to be approximately \$300 billion by 2015 or approximately \$20 billion per year.⁷³

⁷² From ECOSOC ministerial roundtable discussion, “Rural development and rural energy development,” hosted by UNIDO, 30 April 2003

⁷³ Includes LPG dissemination costs of approximately \$4 billion per year.

The amount of energy in modern forms needed to satisfy basic needs of rural populations is relatively small in absolute terms, and the technologies are available. Meeting the basic needs is, of course, the first step, but further steps will be necessary to meet the needs of those pursuing commercial and economic activities. In this regard, there is a clear need to reach out beyond government interventions into promoting partnerships with community based organizations, NGOs, and the private sector.

It is clear from the deliberations of CSD9 and WSSD that on a global level, renewable energy sources will play a large role in sustainable development. The total cumulative investment required for meeting the goal of increasing the contribution of renewable energy to 5% of total global primary energy by 2010 has been estimated to be approximately \$350 billion, or \$35 billion per year. A substantial part of this increase will go to developing countries.

Existing technologies are not being scaled up because of various barriers that exist—policy, institutional, infrastructural, socio-cultural, human resources, and financial. Removing those barriers is key to achieving a sound transition from traditional energy sources to clean modern energy services in rural areas. This calls for a confluence of policies and actions at national and local levels. The first step in this direction is to ensure that rural energy is accorded high priority as part of the national agenda for sustainable development. And while much of the action will have to be at national levels, the international community can play a major role in helping to build capacity and in mobilizing resources.

All the actors that are involved in rural energy and rural development must act in concert. Actions on rural energy and rural development at national levels depend on the rural people themselves, because they are the ones who know best what their priorities are. Government departments and other agencies must promote programs and projects that serve sectoral objectives. While NGOs and the private sector are also key actors, their role will largely depend on their involvement in development programs and in the market place.

Local bodies, such as the village development councils or elected local bodies, must be empowered to take appropriate steps toward the active involvement of the people. The lessons learned in dealing with rural energy include the following:

- Energy needs in rural areas cannot be understood in terms of ordinary market place demand; investments in energy services must therefore be

generated through incentives, public awareness campaigns, and credit institutions including microfinance facilities.

- While the decentralization process has been gaining some ground it does not by itself ensure people's participation, and therefore the participation must be actively sought.
- Rural electrification does not mean only grid extension; mini/micro grids and household electrification options can bring about significant improvement in quality of life. In either model, substantial improvement in maintenance and service infrastructure is needed in rural areas.
- Commercialization approaches that do not link with income generation activities have limited impact on welfare of the poor. Targeted subsidies and social safety nets are still needed in the short run for the poorest of the poor.
- Subsidies do not enhance affordability but only deepen dependence; even though subsidies for the poor are inescapable in the short run, a strategy for phasing out subsidies is necessary for market development.
- Technology delivery by itself will not ensure effective use; market development efforts through incentives, credit facilities, and service infrastructure are needed to reach commercial status for viable energy services in rural areas.

The Work of DESA

DESA has been engaged in rural energy activities that focus on renewable energy applications for rural development for many years. A few years ago, DESA carried out, with UNDP support, a situational analysis with respect to rural energy in several Asian countries and identified barriers to rural energy development as well as ways and means of enhancing capacity. It organized training programs for renewable energy entrepreneur development in five Arab states as part of a regional project on sustainable energy in Arab states. Also as part of the same project, the organization held regional training workshops on standards and best practices for renewable energy applications. It is currently implementing an UNF-supported project on renewable energy for income generation activities in rural areas, in cooperation with Winrock and linked to the sustainable livelihood project in Andhra Pradesh in India, which is funded by DFID. A project for delivery of water and energy services in the rural areas of the Gambia with the involvement of community based organizations, credit institutions and local entrepreneurs is also being pursued.

Rural energy is not just about energy. It is also about the links with rural development. It therefore presents enormous challenges that call for innovative approaches involving public-private partnerships and increased cooperation among community-based organizations, national entities and international organizations.

■ Chapter 4

Market Access and Rural Development

*The Market and Development***

An Overview

This chapter will consider the importance of market access to the rural poor from a number of angles. After the initial introductory article, the primary focus will be on commodities. For many developing countries, agricultural commodities are the main source of export earnings. Seventy percent of export revenues of the least developed countries are generated by the agricultural sector, and more than fifty percent in low income countries. Yet, a steady decline in commodity prices over the past two decades has crippled export earnings and obliterated any increases in productivity and output. Prices for eighteen major commodities have fallen by twenty-five percent and more in real terms between 1980 and 2000.

The second section in this chapter will provide an overview of the commodities crisis. The essay by Caroline Digby examines the problem using mining as a case study, and in his piece, Nestor Osario does the same with the coffee industry. In "Good Intentions are not Enough," Margaret McMillan presents two examples, cashews in Mozambique and cereals in Ethiopia, to illustrate the potential pitfalls of ill-conceived trade policy. Phil Twyford and Ambassador John Richardson, in their essays, consider remedies to the commodities crisis in general.

The last two essays break from the commodities topic. James McDonald discusses strategies for mobilizing world support for improved trade policies, and Sam Daley-Harris presents the success story currently being written by microcredit campaigns.

Globalization has created unprecedented growth in global markets and opportunities for individuals to prosper. Yet, 1.2 billion people live in extreme

** Based on the issues paper for ECOSOC ministerial roundtable discussion, "Market Access for Rural Development," hosted by IFAD, 2 July 2003, remarks by Mr. Lennart Båge, President of IFAD, for the same conference, and summary of the conference proceedings.

poverty on less than one dollar a day. Their poverty arises, in part, from constraints that limit their ability to enter and compete in national, regional, and global markets.

Most of the poor live in rural communities in developing countries and make their living in agriculture as smallholder farmers, farm labourers, herders, fisher folk, and traders. Enabling the rural poor to reach opportunities in markets beyond their communities and to improve the terms on which they interact with them is a powerful tool to reduce poverty and fuel economic growth. It will restore much needed vibrancy to the global efforts to cut poverty in half by 2015, which right now is, by some measures, proceeding at approximately one-third the rate needed for success.

Trade of agricultural and non-agricultural goods is an important income earner for people living in rural areas and adds a crucial dimension in their livelihood strategies. And markets are not only places to sell but also locations to buy agricultural inputs and food, exchange economic information, and acquire consumer goods. Without access to markets, poor rural people are robbed of a key means of securing their livelihoods and improving their living conditions.

Although the rural poor are an extremely heterogeneous population, the market obstacles they face can be divided into three general categories.

Physical Constraints. The roads linking poor rural communities with larger markets are often seasonal, badly maintained, or nonexistent, making the transport of their products to market expensive and difficult. In the absence of crop storage technologies and facilities, many perishables do not survive the journey to market. Additionally, poor communications infrastructure makes access to reliable and up-to-date information about prices, products, and potential business partners difficult, if not impossible.

Capacity Constraints. The rural poor lack the necessary financial services, including savings and credit, that would enable them to invest in the productivity of their businesses. They also fall short in technologies—fertilizers, irrigation equipment, and crop processing—and in terms of the training that would help them become more efficient and competitive producers. Isolated farmers wield much less influence when interacting with governmental bodies and industry than they would as members of organizations such as farmer co-operatives and water-use associations.

Policy Constraints. In developing countries, overly restrictive legal and policy frameworks complicate the registration of farmer institutions and the licensing of traders. At the same time, laws are not stringent *enough* to enforce contracts or uniform product quality standards. International policies also wreak havoc. The more than \$300 billion each year that developed countries give as subsidies to their domestic agricultural sector encourages surplus production that, when exported, lowers global commodity prices and reduces the income stream of the rural poor of the developing world. In addition, in nearly all countries agricultural goods face tariffs that escalate according to the level of processing. This makes finished products exported by the poor artificially expensive and therefore less attractive to consumers. Non-tariff barriers, including labour and environmental standards as well as sanitary and phyto-sanitary measures also plague developing countries and their rural producers. And, in addition to all these constraints, many of the rural poor face discrimination, as women or as ethnic minorities or as indigenous peoples.

Extensive research shows clear links between trade liberalization and global economic growth. Some of this research concludes that developing countries would benefit from removing their agricultural protections and subsidies regardless of reciprocal market access reforms in developed countries. But any changes in trade policy must be carefully considered, especially with regard to their effects on rural communities and the natural environment.

Improved market access for the rural poor rests on integrating development planning with development assistance and trade policies that encourage investments in remote rural areas. These investments should, in turn, help the rural poor overcome physical, capacity, and policy constraints. The efforts of the rural communities themselves will by necessity serve as the cornerstone of any sustainable development. If conditions are created in developing countries for improved agricultural productivity and more rapid growth, incomes will increase, leading to savings and investments. The resulting increased demand will create markets for industrialized country products, including agricultural products.

This is not a call for state intervention. Governments, civil society, and international institutions should be on hand primarily to assist and enable. The objective is not to insulate the poor from underlying economic realities but to ensure that they have the means to carve out a better and more sustainable position in the global economy.

Agricultural diversification, infrastructure development, and investments in adequate technology are crucial. Investments in those hard economic sec-

tors need to be accompanied, however, by efforts focusing on the softer side of national economics. Capacity building to cope with market volatility and risk is an effective way to increase the competitiveness of local farmers. Rural producers also need access to information on market conditions in order to better adapt to economic realities. The building of adequate and responsive national and local institutions that provide accurate market and price information, preferably combined with training and other activities to improve the skill level of the rural poor, can be important tools for addressing some of the problems related to market access.

Commodities, Markets and Rural Development⁷⁴

The commodities sector—mainly agriculture but also mining, forestry and fisheries—plays a crucial role in rural development. About one billion farmers and labourers, mostly in developing countries, depend on commodities for a major part of their income, and in many developing countries, particularly LDCs, the task of generating domestic savings and foreign exchange resources necessary for development falls squarely on the commodity sector.⁷⁵ This forges tight bonds between the international markets and rural communities, and when market conditions are unfavourable they can give rise to “poverty traps.” These “traps” occur when poverty spreads to the point of limiting economic growth, creating yet more poverty, social problems, conflict, and environmental damage. Research shows that the proportion of people living in poverty is highest in commodity-dependent countries, in particular in the rural areas, and that poverty has been increasing.

National and international policies must be redesigned, to ensure that the benefits of trade accrue to small and vulnerable producers. In addition to generating hard currency, the commodity sector can spur employment growth, earn income from taxes and royalties, and encourage infrastructure development and technology transfer.

In order to make the necessary changes, the problem must be approached from two angles. The international community must work to make global markets friendlier to rural development and, at the same time, governments and the producers themselves must work together to improve the competitiveness of domestic commodity sectors.

International Markets

The declining terms of trade for commodities, the instability and current low level of commodity prices in world markets, and the concentration of market power in the hands of a small number of large companies have, together, been crippling the rural sector. Liberalization intensifies the links between domestic and international market conditions and increases the exposure of the rural sector to the vagaries of international markets. While new opportunities are

⁷⁴ Based on issues paper for ECOSOC roundtable discussion, “Commodities, markets and rural development” hosted by UNCTAD, 30 April 2003, New York, and summary of the same conference.

⁷⁵ In Uganda, for example, more than 95 percent of export earnings come from commodities.

opened up by the emergence of trading channels such as international super-market chains that source from developing countries, quality and traceability requirements as well as the need to provide large quantities create hardships for the rural poor.

Unfavourable prices for commodities have immediate and negative effects on rural poverty. They lead to reduced government revenues, employment, farm incomes, and agricultural wages, and they discourage private and public expenditures on nutrition, health, and education.

Each type of commodity is subject to its own set of conditions and challenges. For coffee, the increase in production by efficient suppliers and the subsequent failure of the smaller, less efficient producers, has led to oversupply. For other commodities, such as cotton and sugar, subsidies in developed countries are the main cause of oversupply, and therefore, of artificially low prices. It has been estimated that cotton prices, which were a year ago at their lowest level in nominal terms since 1972/73, and probably their lowest level in real terms since the cotton gin was invented in 1793, would be US\$0.31 (i.e. about 75 percent) higher in the absence of direct subsidies. Over the 1999-2002 period, if the prices of coffee, sugar and cotton had remained at the levels at which they were in 1998 (when they were "average"), coffee-producing countries, sugar-producing countries exporting to the free market, and West African cotton-producing countries would have earned respectively, US\$19 billion, 1.4 billion and 1 billion more than they actually did. Nobody, including the consumers and the industries that utilize agricultural raw materials, has an interest in the continuation of the catastrophically low price levels. The industry has a crucial stake in ensuring that producers in developing countries continue to supply world markets.⁷⁶

A supportive macroeconomic environment, both at the national and international levels is a necessary condition for the development of the rural sector. However, structural adjustment policies and market reforms that are expected to generate better prices and higher earnings for producers often fail. Among the reasons are a disregard, in the design and implementation of structural

⁷⁶ Managing sharp fluctuations in incomes and prices is a formidable task for both governments and small producers. In Uganda, a buffer fund was run by the Cooperative Movement and financed by deductions from farmers payments, contributions from STABEX, and a cess received when prices were higher. The scaling down of the operations of cooperatives in the 1970s and 1980s, and their subsequent elimination, followed by the termination of STABEX funds exposed rural communities to the instability of markets with drastic effects on rural development.

adjustment policies, of world market structures and operations, and a lack of understanding of farmers' decision-making behaviour.

Proposals

International and national arrangements that ensure stability in the prices for both producers and consumers need to be strengthened, particularly through solutions that improve the functioning of the markets. The coordinated destruction of stocks that overhang the market could eliminate some of the downward pressure on prices.

All trade distorting subsidies, in particular those in developed countries, need to be eliminated. However, as a considerable proportion of the rural population is net purchaser of food, an undesirable impact on rural poverty cannot be ignored and measures need to be taken to prevent this. Any domestic support in developed countries should be directed to helping small farmers.

Improving the quality of products, particularly for coffee, can help balance the market, both by reducing the supplies and increasing demand, which is more important from the long-term point of view. Measures should be taken to facilitate access to price risk management and trade financing instruments in order to mitigate the risks of short-term price fluctuations and help open up new financing mechanisms for commodity production trade.

Intergovernmental cooperation on strategic intervention, including compensatory safety nets for the poor, may be required particularly when market-based instruments are not expected to be sufficiently effective or when the time required for their impact is too long.

Diversification into higher valued products and processing as well as off-farm employment must be supported financially and technically. However diversification is a long process and action to assist the commodity sector should not be discarded in favour of unrealistic diversification options. Establishing specialized market niches, selling certified organic products and using fair trade channels should be emphasized.

Buyers, in particular large international firms, must accept their corporate responsibilities and agree to pay a "decent" price to the producers. Large firms should be encouraged to contribute to the capacities of developing countries to add value to their products, and governments should take measures to promote such behaviour by firms.

The Competitiveness of the Rural Sector

While international market structures are changing and the producers need to satisfy an ever-increasing gamut of requirements, domestic support structures have disintegrated and international support to the rural sector has declined. The key concern is enabling small producers to respond to market exigencies in terms of cost, quality, and quantity requirements, so that they can function effectively in modern international markets and benefit from new opportunities. Market liberalization is important but does not guarantee market entry. Exporters have to meet many other conditions such as quality, health and environmental concerns of buyers. They also have to supply adequate and consistent quantities. Small producers in rural areas are particularly disadvantaged in these respects.⁷⁷

Low productivity and high costs make rural producers uncompetitive. However, when the size of markets is limited, increased productivity and production may lead to reduced earnings in spite of increased sales. This was observed for cereals in Ethiopia owing to falling prices for the output and increased cost of inputs such as fertilizers.

Access to, and effective use of, information are crucial requirements for improving the ability of rural producers to deal with large traders on a more equal footing. Access to finance at reasonable cost is particularly important but especially difficult for the rural poor. Although there are innovative schemes that can be implemented, the institutional and legal infrastructure is often not in place. In addition, poor physical infrastructure increases costs and harms competitiveness of producers in many developing countries, in particular in rural areas.

Commodity market reforms of the 1990s in developing countries have, in some cases, contributed to increased efficiency and greater transparency. But they have also often left the commodity sector and, in particular, small producers highly vulnerable to competition from larger operators and adverse market conditions. The promise of increased flows of foreign direct investment has not been realized.

In natural resource exploitation, such as mining, it is important to ensure that the benefits from minerals development are sustained beyond the life span

⁷⁷ Full benefits are not being derived from opportunities in world markets or special preferences accorded by initiatives such as Everything But Arms, African Growth and Opportunity Act, GSP and other preferences for LDCs. Among the causes are problems on the supply side such as the inability to fulfill the requirements of SPS, TBT, TRIPS agreements, and other requirements set by buyers.

of the projects. A new relationship is beginning to emerge in this sector, based on recognition of the rights of communities and the need for community participation in decision-making. It is increasingly recognized that NGOs and other civil society groups should act as independent mediators, facilitating the flow of information to and from communities and implementing partnerships with companies and government.

Proposals

International technical and financial assistance directly to the rural sector as well as through improved government services is urgently required, especially since many developing countries are increasingly unable to provide these services owing to budgetary, institutional and technical constraints.

In view of the large numbers of complementary programmes supported by international donors, it is important to maintain coherence among them and integrate their activities whenever possible. Cooperative production and marketing arrangements should improve the quality and quantity of supplies and help counterbalance the dominant position of large firms. Innovative market-based mechanisms to manage price risks and to reduce the vulnerability of small producers should also be promoted. Reduced risk improves the chances for access to finance. In addition, improving physical infrastructure, such as roads, warehouses, ports and telecommunication and reducing the associated costs are extremely important for cost competitiveness in export markets.

Conclusion

Consideration of commodities was for many years the missing link in international trade and development policies. In the past few years, however, commodities and commodity dependence have moved back into the international agenda, including at the UN General Assembly and the World Summit on Sustainable Development, and emphasis has been placed on the need to help commodity-dependent countries improve their competitiveness and diversify their economies. There is, however, much more to be done for an effective consideration of the issue by the international community and the UN system.

Mining as a Catalyst to Rural Development⁷⁸

by Caroline Digby, ICMM

It is only relatively recently that the global policy dialogue on sustainable rural development has included a discussion on the role of mining and minerals. This is a vitally important step in the right direction. The plan of implementation emerging from WSSD in Johannesburg recognized that mining, minerals, and metals are important to the economic and social development of many countries and that minerals are essential for modern living.

But mining is characterized by its heterogeneity – more than 90 minerals are mined by a huge variety of enterprises in virtually every country, both developed and developing. Operators range from the large multi-national mining corporations selling globally traded metals in terminal markets to the small-scale and artisanal miners who pan for gold and other minerals, often as just one part of a rural livelihood strategy.

Global Mining Initiative

In the last five years or so, the large mining houses have increasingly realized that they were going to have to do business differently in order to ensure access to new resources and continued access to markets to sell their products. In the lead up to WSSD, a group of leading mining companies collectively launched the Global Mining Initiative in 1999.

The Initiative was an independent two-year project of stakeholder consultations and participatory research. It sought to identify the key concerns of the various stakeholder groups involved in the sector, including local and national governments, NGOs, labour unions, companies, and indigenous communities. The final report seeks to identify where there was consensus and where there were more deeply rooted differences of opinion. The recommendations from this process were presented at a large conference with CEO participation in Toronto in May 2002.

The International Council on Mining and Metals is charged with carrying forward this process and looking for practical ways to implement the recommendations put forward for large scale industry, working in partnership with others.

⁷⁸ From ECOSOC roundtable discussion, "Commodities, markets and rural development" hosted by UNCTAD, 30 April 2003.

Large Mines and Rural Development

Minerals development is hard to justify if it does not bring economic benefits, particularly to countries and regions that lack alternative sources of development and are otherwise unattractive to foreign investors. In addition to hard currency from taxes and royalties, benefits from mineral development should include employment, infrastructure such as roads and hospitals, linkages upstream to industries that supply goods and services or downstream to industries that process mineral outputs, and technology transfer.

The employment of local people is essential and should be incorporated into all agreements. If skill levels are not adequate at the outset, a staged approach with skills training will be required. For employment schemes to have long term success with indigenous, tribal, and other marginalized communities, it is essential that specific language and cultural requirements are accommodated. Mining companies should also strive to support local businesses and practice preferential procurement policies towards local suppliers and distributors. The companies need to focus on enhancing the participation of indigenous communities and women throughout the life cycles of mining operations.

It is important to ensure that the benefits from minerals development are sustained beyond the life span of the projects for the communities. Essential elements include identification and establishment of economic activities for communities post-mine, including non-mineral related activities such as tourism and agriculture, and mechanisms to ensure that essential services can be sustained after closure. Skills training should be extended to consider the need for alternative economic activities once the mine has closed. And these efforts must begin while the projects are still ongoing, not when retrenchment is already a reality.

Few areas present a greater challenge than the relationship between large mining companies and local communities. There is a long legacy of abuse and mistrust. Widespread community demands for relevant, direct, and sustained benefits from mineral wealth are a relatively recent phenomenon, so frequently neither government institutions, nor companies, nor the communities themselves, have been properly equipped to respond to them. In areas with weak governance, communities often turn to the operating companies, which have found themselves providing development services to obtain or to maintain their social licence to operate.

A new relationship is beginning to emerge, based on recognition of the rights of communities and the need for community participation in decision making. Moreover, new initiatives focus on improving the capacity of local government and other local institutions to deliver mine-derived benefits over the long term. It is increasingly recognized that NGOs, churches, and other civil society groups can act as independent mediators, facilitating the flow of information to and from communities and implementing actions in partnership with companies and government.

Small-Scale Mining as Part of Sustainable Livelihoods Strategy

Though most attention in the mining industry is focused on large companies, in many parts of the world, particularly in developing countries, minerals are extracted by artisanal and small-scale mining (ASM). These small-scale miners work with simple tools and equipment, usually in the informal sector, outside the legal and regulatory framework. The ILO recently estimated that 13million people are involved directly in developing countries, and that it affects the livelihoods of a further 80-100million. The vast majority are very poor, exploiting marginal deposits in harsh and often dangerous conditions – and with considerable negative impact on the environment. Still, in many cases mining represents the most promising, if not the only, income opportunity available.

ASM activities are often viewed negatively by governments, large companies, environmentalists and others. Concerns range from the use of child labour and the potential for environmental damage (particularly through the use of mercury in gold mining) to the use of ASM revenue to finance conflicts. “Rush” operations can engender social disruption, a high incidence of prostitution, and the spread of HIV/AIDS among migrant workers.

But ASM activities will continue for at least as long as poverty drives them. It is therefore essential that efforts be made to maximize the benefits brought by small-scale mining and to avoid or mitigate the costs. In the longer term, many ASM activities are likely to disappear naturally if progress towards sustainable development is made and alternative, more attractive employment options for small-scale miners become available. This is not to say that some forms of ASM will not persist, particularly those undertaken seasonally on a low-intensity scale or those that are formalized and managed in a collective way where the nature of deposits lend themselves to smaller-scale activities.

The UN Department of Economic and Social Affairs has developed a sustainable livelihoods approach for eradicating poverty in artisanal mining communities. This is currently being implemented in Ethiopia, Ghana, Guinea and Mali, and it assumes that ASM should serve as both a catalyst and an anchor for other productive activities, stimulating complementary and alternative productive ventures. This will succeed only if the organizational capability of the local community is strong.⁷⁹

The Way Forward on ASM

Governments have the principal role to play in recognizing and improving the livelihoods of those involved in ASM. The policy and regulatory framework for ASM must be consistent with the regulatory framework for large-scale mining, to ensure that there is coherence across the whole spectrum of mining activities. Sufficient financial and regulatory incentives need to be provided for the miners to formalize their activities. Donors and international organizations need to work together through such efforts as CASM—Communities and Small-Scale Mining initiative—to disseminate examples of best practice, facilitate communication, and implement pilot projects. Improved access to capital, better markets for products, and cooperatives or associations for collective action are some of the measures that can be addressed. Governments must work with international organizations and NGOs to develop outreach programmes to inform parents of the hazards faced by children in ASM.

Large mining companies also have an important role to play. They need to engage directly with existing ASM communities, especially those near large-scale mines, to help them improve their practices and/or find alternative employment. They can provide technical advice on how to reduce or mitigate negative environmental and health impacts in a cost-effective way. In particular, miners need to be informed about the dangers of mercury amalgamation and helped to adopt appropriate techniques for using mercury more safely and eventually phasing out its use altogether.

Working with the ASM communities to improve their practices is in the interest of the large mines, because since civil society does not always distinguish between large and small scale, a large mining company could find itself being blamed for damages caused by the small practitioners.

⁷⁹ A meeting in Yaounde, Cameroon in November 2002 took this work forward and developed an action plan for small-scale mining in Africa.

Despite a legacy of poor environmental and social performance in the mining industry, the leading companies are now attempting to engage constructively with others involved in the sector, including its critics, to improve the developmental impact on rural communities.

The Coffee Crisis: The Agenda of the ICO in 2003⁸⁰

by Néstor Osorio, Executive Director, International Coffee Organization

In 2002, coffee prices dropped to their lowest levels in 30 years (the ICO composite indicator stood at 41.65 U.S. cents per pound on 29 January 2002), and in 100 years in real terms. Since then the composite indicator has risen, but only slightly, and the crisis continues.

In almost all coffee producing countries, such prices are unable to cover production costs and have led to serious social and economic problems. Cash incomes for subsistence coffee farmers have dropped substantially, and as a result, access to education, healthcare and other services that require cash payments has suffered. Many farmers mainly dependent on coffee for their livelihoods have been forced through indebtedness to abandon their farms or switch to the production of illicit crops. Where coffee production has been maintained, quality has suffered because of inferior inputs and practices.

This situation was caused by an imbalance between supply and demand, involving an overproduction for a period of four years, exacerbated by a bumper Brazilian 2002/03 crop estimated at 47.3 million bags—its highest historical figure and around 40% of total world production. These high levels of production arose from extensive planting and improved technologies in Brazil during the mid-1990s when prices rose following a frost in 1994. These levels rose also as a result of the continued growth in production in Vietnam in the 1990s, leading to production levels of 14.8 million bags in 2000/01 and 12.3 million bags in 2001/02.

On the other hand, the annual growth in consumption continued to be more modest over the last five years, contrasting with the annual growth in production. On the macroeconomic level, the share of coffee exports as a percentage of the value of exports of all commodities has fallen considerably since 1966 and the value of coffee exports has dropped off sharply since 1996.

This is a matter of concern since for many developing tropical countries, coffee is one of the few economic activities in which they have a degree of comparative advantage. Coffee represents not only an important source of for-

⁸⁰ From the ECOSOC roundtable discussion, "Commodities, markets and rural development" hosted by UNCTAD, 30 April 2003.

eign exchange earnings to many countries but also a key source of cash income in the countryside. It enables countries to buy manufactured goods and stimulates internal economic activity by providing purchasing power to otherwise subsistence farmers. It is important to remember that although diversification into other economic activities would reduce the problems of coffee dependence, it is unrealistic to expect many producing countries to compete effectively on the industrial front with more advanced economies, except perhaps in the very long run. For this reason, action to assist the commodity sector cannot be discarded in favour of unrealistic diversification options.

ICO Action

During the last year, the ICO has identified a number of medium-term initiatives to reduce the imbalance between supply and demand in accordance with the aims of the International Coffee Agreement of 2001. The Coffee-Quality Improvement Programme, implemented by Resolution number 407 of the International Coffee Council, seeks to prohibit the export of coffee with high levels of moisture content or defects. Its aims are to remove a significant quantity of sub-standard coffee from the market, to stimulate consumption by improving the overall quality of coffee available to the consumer, and to lessen the risk of contaminated shipments.

The Programme prohibits members from exporting coffee that fails to meet certain requirements. It bans Arabica coffee with more than 86 defects per 300g sample (New York green coffee classification/Brazilian method, or equivalent); Robusta with an excess of 150 defects per 300g (Vietnam, Indonesia, or equivalent); and both Arabica and Robusta with a moisture content below 8% or in excess of 12.5%, measured using the ISO 6673 method.

Some other key points of the Quality Programme are:

- The Programme should be seen more as a means of increasing consumption than curtailing exports, which would be largely a short-term effect. There is clear evidence that consumption is more affected nowadays by quality than price and it is significant here that 40 years ago, in 1962, U.S. imports of coffee were 24.7 million bags compared with only 21.7 million in 2002. Better coffee encourages the consumer to drink that extra cup.

- The Programme should be seen as progressive; not all exporting countries will immediately be able to implement it completely. Nevertheless steady progress can be and is being made for those where the process of adjustment is more difficult.
- Countries implementing the Programme fully will develop an advantage in the marketability of their coffees as the standards become progressively more well known. Of course there are still buyers today who operate on the basis of price to the disregard of quality, but this attitude is already beginning to change.
- Implementation of the Programme protects exporters against the risk of rejection of shipments, particularly by some European countries, as a result of Ochratoxin A (OTA) contamination. This is because Resolution 407, through its maximum moisture tolerance, discourages coffees where mould can occur and through its defects standards discourages coffees with husks that are prone to contamination.

Diversification

The economic performance and development prospects of many developing countries are largely dependent on commodity exports. The heavy dependence of such countries on a few commodities has in general had an adverse economic impact, with harmful consequences for growth and the reduction of poverty. Coffee provides a particularly important share of the export earnings of developing countries and the large number of growers who depend on coffee for most of their income have been hard hit by the sharp fall in prices.

The ICO seeks support for programmes of diversification into other economic activities in those areas where coffee growing may be seen as marginal, and where appropriate alternatives can be identified. The ICO is also eager to support vertical diversification projects to seek out coffee types which can secure higher added value and has conducted a study on diversification to explore opportunities and conditions for carrying out suitable programmes within the framework of the fight against poverty in coffee-producing areas.

Sustainability and Demand

The ICO works to promote a greater awareness of the requirements for a sustainable world coffee economy, addressing environmental, social, and economic aspects, and increasing awareness amongst the trade in importing countries of the dangers to their own interests if coffee production becomes unsustainable.

In addition, the ICO communicates production trends to financing or donor institutions in order to avoid support for projects which may exacerbate any imbalances between supply and demand. The ICO is working to eliminate remaining tariff and non-tariff barriers to coffee and to seek a general reduction in agricultural tariff barriers to facilitate diversification initiatives. To improve balance on the demand side, the ICO seeks to increase coffee consumption through market development using appropriate instruments for mature markets, new or emerging markets, and in coffee producing countries themselves.

In traditional markets, the ICO is working to disseminate, initially to the media and then to the medical profession and the consumer, accurate information about the increasing volume of new research showing coffee's beneficial health effects, which contradicts older studies. This initiative is already under way and has secured significant financial backing from the European coffee industry.

ICO promotion programmes in new markets such as China and Russia have contributed to remarkable growth in these and other emerging markets.

Producing countries also deserve industry attention. Brazil has shown how, with an appropriate strategy and focusing on basic quality, it is possible to increase consumption in producing countries substantially. The ICO wishes to build on this experience to target important producing markets such as India, with its over 1 billion people. Building a substantial domestic market not only contributes to securing a better balance between world supply and demand but also contributes an increased awareness of consumer requirements among producers, provides an alternative marketing outlet, and stimulates local industry.

Mobilizing Support

In order to mobilize effective support for the above initiatives, and bearing in mind the developmental impact of the coffee crisis on the 25 million coffee farming families worldwide dependent on coffee for their livelihoods, the ICO has held talks with leaders of major multilateral institutions, coffee trade associations, and political leaders. A number of important political statements have been made.

Malabo Declaration. Adopted by 25 African Governments during the Interafrican Coffee Organization (IACO) General Assembly in October 2002, the Declaration calls for IACO Members to renew their support for Resolution number 413, which invites the USA to rejoin the ICO, and requests the IACO

Secretariat to actively participate in diplomatic activities of the Executive Director of the Organization.

Ibero-American Declaration. In a special declaration on the world coffee crisis at the Ibero-American Summit in the Dominican Republic in November 2002, Ibero-American producing countries urged the United States, Canada, and other states to rejoin the ICO in view of their important position in the international coffee market and expressed support for ICO initiatives and for strengthening its role in world coffee affairs.

European Union Council Statement. The Belgian Foreign Affairs Minister Louis Michel made a statement at the E.U. Council of General Affairs and External Relations in November 2002, drawing attention to the impact of the crisis on small farmers and on the economies of coffee exporting nations, and endorsing the ICO Coffee Quality-Improvement Programme.

U.S. Congress Resolutions. On 15 November 2002, the U.S. House of Representatives approved Resolution 604 on the coffee crisis, and the U.S. Senate subsequently approved Resolution 368 on 20 November 2002, calling on the U.S. to adopt a global strategy to respond to the coffee crisis and to support multilateral efforts to this end.

Dutch Parliament Resolution. The Dutch Parliament adopted Resolution 28600-V, number 24, on 18 December 2002, supporting the implementation of the Coffee Quality-Improvement Programme and urging the United States to rejoin the ICO.

European Parliament Resolution. Adopted on 10 April 2002, this urges the Commission and the Council of the Community to take action to address the global coffee crisis, including supporting specific ICO initiatives.

The challenge now is to build on these expressions of support to ensure that the ICO initiatives such as the Coffee Quality-Improvement Programme, as well as diversification projects and market development activities, receive the fullest possible support. The world coffee community and all interested in sustainable development should actively support the necessary concrete steps to improve the situation faced by coffee producers, bearing in mind that other sectors will also suffer if growing coffee becomes unsustainable or confined to a limited range of origins which may adversely affect consumption by limiting consumer choice. In developing and coordinating such initiatives, the ICO has a key role to play in view of its ability to mobilize all stakeholders in the coffee sector and its specialist knowledge of the issues.

***Good Intentions Are Not Enough*⁸¹**

by Dr. Margaret McMillan, Department of Economics, Tufts University

A good deal of the policy reforms undertaken in Africa during the 1980s and 1990s were targeted at the rural poor. Yet, in many cases, the rural poor are worse off today than they were a decade ago. It therefore is time to realize that textbook solutions, especially those that do not adequately consider the interests of all the major stakeholders, often give rise to unforeseen negative consequences. Trade liberalization, for instance, can end up hurting the very groups it was designed to help. This paper will consider two illustrative examples of this phenomenon, the liberalization of the cashew market in Mozambique and cereal market reforms in Ethiopia.

The Mozambique Cashew Market

In the early 1990s, the World Bank prevailed on Mozambique's government to liberalize the cashew sector and to remove restrictions on exports of raw cashews. The Bank hoped that resources would be allocated more efficiently and the incomes of cashew farmers would be boosted. The policy was met with fierce opposition from the domestic cashew-processing industry, which ironically had just been privatized.

After a decade of political strife, international controversy and ongoing if hesitant reform, the consequences remain hotly contested. Each side in the debate has its favorite statistics: the World Bank points to the rise in farmgate prices, while its opponents point to the processing plants in urban areas that have been shut down and the thousands of workers that remain unemployed.

Historically, the cashew sector has constituted a significant part of Mozambique's economy, providing income to several million individuals across the country. In the 1960s, Mozambique produced as much as half of the world's total cashews. Following independence in 1975, the government banned the export of raw cashew nuts to stimulate domestic processing, and Mozambique became the first African country to process cashews on a large scale. By 1980, the country had 14 processing factories. The sector went into a long decline thereafter, as a combination of adverse policies and civil war (1982-1992) brought new tree plantings to a halt. On World Bank advice, the government began to loosen restrictions on raw cashew production in the late 1980s. The ban on exporting raw cashews was lifted in 1991/92 and replaced with an

⁸¹ From ECOSOC roundtable discussion, "Commodities, markets and rural development" hosted by UNCTAD, 30 April 2003.

export quota and export tax. The quota was subsequently removed, and the export tax on raw nuts came down from 60% in 1991/92 to 14% in 1998/99.

From the vantage point of textbook economics, the analysis of the export restriction and its removal is a straightforward exercise. A ban (or tax) on exports depresses the domestic price of raw cashews, effectively subsidizing the domestic processors for whom raw cashews is the chief input. The policy results in an inefficient allocation of resources: raw cashew production is discouraged, and labor and capital are pulled into cashew processing where, absent externalities, the social value of their marginal product is lower than in other activities. The relaxation of the restrictions is therefore expected to create a double benefit. First, an efficiency gain, arising from the reversal of the adverse resource pulls mentioned above. And second, a distributional gain, resulting from the rise in farmgate prices for the poorest households in Mozambique.

Many of the textbook implications of export liberalization were indeed realized. Farmgate prices rose, raw cashew exports increased, and resources were pulled out of cashew processing. However, even under the most favorable circumstances, the magnitude of the benefits generated by these effects were quite small, both in economic terms and in relation to the amount of time and energy that Mozambique's government spent on this question over the years. The efficiency gains generated by the removal of the export restrictions could not have amounted to more than \$6.6 million annually, or about 0.14% of Mozambique GDP. The additional income accruing to the farmers was probably no greater than \$5.3 million, or \$5.30 per year for the average cashew-growing household. These are miniscule amounts for a policy that was a key plank in the World Bank's reform agenda, and that became a serious bone of contention between the Bank and Mozambique, requiring the personal attention of both of their presidents.

Moreover, small as they are, these numbers overstate the benefits involved. The standard gains from the liberalization have to be set against the efficiency losses that have resulted from the idling of processing plants. In theory, the workers employed in these plants should have found alternative sources of employment after a reasonable time, even if they suffered some wage losses in the process. In practice, a large number seems to have remained unemployed, perhaps because of the expectation that the liberalization would be eventually reversed. One account claims that 90% of the sector's 11,000 workers were unemployed in 2001. Even if we take a fraction of this number, the loss in real output (equivalently, loss of real income of workers) that is involved is ap-

proximately \$6.1 million, or 0.12% of GDP. Note that this amount is roughly equivalent to the direct efficiency gain generated by the liberalization. In all likelihood, therefore, the aggregate static gains produced by the liberalization were a wash.

These disappointing outcomes are due in part to wrinkles that the textbook analysis overlooks. First, there are complications that arise from imperfect market structures. Domestically, there are several layers of intermediaries that separate cashew farmers from the export trade, which means that increases in export prices cannot be passed one-for-one on to the farmers. Traders, not growers, capture much of the benefits from the liberalization. Externally, we have the complication that the world market for raw cashews is significantly less competitive than that for processed cashews. In effect, India is a monopsony buyer of raw cashew from Mozambique. Mozambique's transformation from an exporter of processed cashews to an exporter of raw cashews can be expected therefore to produce a terms-of-trade loss for the country, which diminishes both the efficiency and distributional gains from liberalization.

The real hope for the liberalization strategy might, and should, have been placed on the dynamic effects. First, the liberalization could have reinvigorated the rural sector over the medium- and long-run by reversing the dramatic collapse in cashew tree planting. Second, in the urban sector it could have heralded a restructuring of production by promoting a more rational investment pattern. The main failing of the cashew liberalization policy was that it did not send sufficiently credible signals about the pricing regime. The result was that farmers refused to plant trees, cashew processors refused to take their resources elsewhere, and urban workers refused to look for other jobs.

The Mozambique cashew story illustrates several themes that have become increasingly central in the analysis of reform. One theme has to do with the importance of credibility and the need for expectations management. The credibility problems in this case were created in part because the liberalization of the cashew sector was viewed as a "World Bank policy"—something that the government was doing not because it was a priority but because it was required to qualify for World Bank (and IMF) lending. Not having full ownership of the reform, the government was poor at selling it.

The second theme is that reform is a "political" problem as well as a "technical" one. Had the political opposition of the urban groups been anticipated, compensatory mechanisms and side bargains could have been worked out beforehand.

Recent evidence suggests that the supply response to price liberalization throughout most of SSA, as in Mozambique, has been disappointing (UNCTAD, 1998). Over-reliance on price reforms is likely to be one reason for this. It is far easier to stop regulating producer prices than it is to remove structural constraints like poor roads, lack of access to credit, or monopsony power on the part of domestic traders. One problem with price reforms is that they can be also reversed with the stroke of a pen. A significant supply response is therefore unlikely unless there is a sharp break in farmers' expectations about the future.

Ethiopian Cereals

Despite numerous endeavors by domestic governments and international donors to spur economic growth, Ethiopia remains one of the least developed countries in the world. To combat this, more than a decade ago the current government of the Federal Democratic Republic of Ethiopia formulated a strategy, coined Agricultural Development Led Industrialization (ADLI), to use the country's enormous agricultural base as an engine for growth. In 1994/95, the government launched the centerpiece of this strategy, the Participatory Demonstration and Training Extension System (PADETES), aimed at diffusing agricultural technology in order to increase agricultural productivity. PADETES provides participating farmers with both credit to obtain various improved inputs and the training necessary to use these inputs.

One of the pillars of the program, funded by a World Bank loan, was a substantial increase in the use of fertilizer. At the same time, the government partially liberalized input and output markets in an effort to increase the efficiency of input delivery.

Now, almost a decade after PADETES was first introduced, the methods and effectiveness of the program remain in doubt. Total cereals output has increased, largely due to an increase in area cultivated, but yields remain flat. Data collected by regional bureaus of the federal government show that in some parts of Ethiopia, yields on extension plots are higher than those on traditional plots. However, the acreage covered by extension plots is minimal compared to the total area covered with fertilizer. The data also indicate that the focus on fertilizer without similar emphasis on other inputs such as improved seed, pesticide, and irrigation has made the packages next to useless in other areas of the country.

A second problem has to do with the profitability of cereals production. In several areas, increased output contributed to a substantial reduction in pro-

ducer prices and a decline in rural incomes. This drop in rural income has many important implications, one of the most obvious being that farmers are unable to repay their extension loans and are in some instances imprisoned because of this. Thus, despite the increase in output, many farmers are worse off than they were when the extension programs began.

Finally, because of very high population growth rates, there is enormous pressure on the land. As a result, the average farm size is declining. The combination of an absence in productivity growth and a reduction in plot sizes mean that the average farm family is now worse off than they were a decade ago, when PADETES started.

Summary and Implications for the Future

Mozambique and Ethiopia are two instances in which reality falls far short of expectations. Proponents of cashew sector reform in Mozambique desperately wanted to help the rural poor. And, there is no question that PADETES was designed with the goal of raising rural incomes. Yet in both cases the rural poor are not much better off today than they were before the reforms were undertaken. Consider also the case of West African cocoa exporters. A recent paper by Gilbert and Varangis (2003) argues that the primary beneficiaries of cocoa market liberalization in West Africa have been the developed country consumers, not the rural poor.

The international community should keep these examples in mind when pushing for further policy reforms aimed improving the welfare of the rural poor. For example, farm subsidies in the developed world are often pointed to as one of the factors keeping farmers in the developing world poor. Consequently, many have argued forcefully that Europe and the U.S. should be forced to eliminate farm subsidies. The logic goes as follows: removing farm subsidies in the developed world will raise cereals prices, making it more profitable for farmers to produce. It is important to remember, however, that most poor countries are net importers of cereals and will therefore be made worse off by a price increase in the short term. In the long term, the price increase could turn countries into net exporters, but this cannot be taken for granted because cereal productivity in most poor countries is extremely low. Even if tariffs on commodities like sugar and cotton are reduced, the gains are likely to be small and concentrated. For example, sugar reform in the U.S. would be worth roughly 10million dollars a year to Swaziland – this certainly not sufficient to jumpstart development.

We need to consider the possibility that the worst-case scenario is not out of the question. Farm subsidies for crops like wheat and maize are removed while tariffs remain on imported agricultural commodities. And there are few productivity increases in the poorest countries that import cereals (like Ethiopia). Unless all the consequences of trade liberalization are considered and planned for, the quality of rural farm life in the developing world could continue to deteriorate.

The Commodity Crisis⁸²

by Phil Twyford, Oxfam International

Oxfam is an organization that, alongside partners in more than one hundred of the world's poorest countries, carries out grassroots development work on the issues of livelihoods, access to markets, and rural development. In 2002 and 2003, Oxfam spearheaded a campaign called Make Trade Fair, designed to rouse public opinion against the glaring injustices and double standards that characterize current international rule making on trade. Chief among the problems are the structural problems afflicting international markets for agricultural commodities, caused by U.S. and European farm policy. In order to get the commodity crisis back on to the international agenda, the political will of governments, in both developed and developing countries, must be mobilized.

The U.S. and Europe are wreaking havoc on the international economy with their farm subsidy programs. In 2002, the U.S. Government spent \$4 billion on subsidies for 25,000 cotton farmers in Texas, Alabama and Mississippi; these subsidies cost African cotton farmers \$301 million in lost income. Similarly, under the Common Agricultural Policy in Europe, a labyrinth of hidden subsidies stimulates massive overproduction of sugar, which is then sold on world markets at below the cost of production. This reduces revenues and drives more efficient producers like Mozambique out of third markets.

If Washington and Brussels are unable to break the current impasse and meaningfully tackle the issue of agricultural dumping, the commodity crisis will continue to worsen. At a minimum, developed countries must agree to:

- A comprehensive ban on agricultural export dumping, or the sale of products at prices below the cost of production;
- A binding timetable to eliminate all forms of exports support, including export credit subsidy programs; and
- The restructuring of domestic support in rich countries towards less intensive agriculture aimed at enhancing the welfare of small farmers rather than large scale agriculture.

President Chirac has proposed to the G8 a moratorium on export dumping in Africa. Oxfam applauds this initiative from France, which has been one of the most intransigent opponents of CAP reform, and calls on the other G8

⁸² From ECOSOC roundtable discussion, "Commodities, markets and rural development" hosted by UNCTAD, 30 April 2003, New York.

countries to extend the proposal to all developing countries and to all trade distorting subsidies. Oxfam believes that by ending export dumping, developed countries can sharply improve the prospects of small farmers and the economies of many developing countries. However there are some commodities where the extent of market failure is so great that a "do no harm" approach is not enough.

Coffee, which is spawning a humanitarian crisis, is one such commodity. A rescue plan must be developed to bring supply back in line with demand and to support rural development so farmers can earn a decent living from coffee. The plan needs to bring together the major players in the coffee industry to overcome the current crisis and create a more stable market. Under the auspices of the International Coffee Organization, the rescue plan should result in:

- Roaster companies committing to pay a decent price to farmers;
- The roasters trading only in coffee that meets the ICO's Quality Coffee Scheme standards;
- The destruction of at least five million bags, as an immediate measure, to be funded by consumer governments and roaster companies;
- The creation of a diversification fund to help low productivity farmers create alternative livelihoods; and
- Roaster companies' committing to buy increasing volumes of coffee under fair trade conditions.

Too often complexity and past failures are used as justifications for inaction. One does not have to be a cynic to see that the negotiating agenda of the WTO is heavily influenced by the commercial priorities of the world's richest countries. The commodity crisis, arguably the single biggest trade issue for the poorest countries, is the orphan of international trade policy.

Oxfam's coffee rescue plan was the first attempt to combine a short-term humanitarian response with long term solutions to the crisis. Governments now need to adopt a similar approach. As a first step, Oxfam proposes the creation of Commission on Coffee and Commodities made of a small number of independent experts, including representatives of coffee growers' organizations, the coffee industry and consumers, and experts with Northern and Southern perspectives. The Commission should address the underlying causes of market failure in coffee: inequalities in market power and price instability. On global markets, there is no authority charged with tackling monopolies and

anti-competitive practices, as there are on national markets throughout the developed world.

The Commission, as well as authorities throughout the importing countries, should consider how competition agencies, including DG-Competition in the European Commission and U.S. Competition authorities, can best rectify these restraints on competition in coffee supply. The Commission should also review the viability of reintroducing market-intervention options capable of correcting the inefficiency of the coffee market's response to price signals. Such a review should investigate both technical and political aspects of the problem.

Commodities, Markets, and Rural Development⁸³

by Ambassador John E. Richardson, European Commission

Internationally traded commodities, such as coffee, cocoa, and cotton, are the major source of employment, income, and foreign exchange for many developing countries. About one billion farmers and labourers on our planet depend on commodities for the majority of their income, and more than 80 non-OECD countries depend on commodities for more than 50 percent of their merchandise exports. Almost the whole of sub-Saharan Africa is in this situation.

However, many of the commodity-exporting countries are finding themselves increasingly marginalized in world trade relations and seem to be trapped in a vicious circle of declining income, persistent poverty, and dependence. Countries are facing falling prices for agricultural commodities such as coffee, cocoa, cotton, and sugar—up to 30 percent between 2000 and 2002 for certain products—and a high level of volatility in prices. Analysis indicates that volatility is increasing and that shocks are often very long lived.

Unfavourable prices for agricultural commodities have immediate and negative effects on poverty. They lead to reduced farm incomes, lower agricultural wages, reduced employment, reduced government revenues, and diminished provisions of basic services. They undermine household nutrition and jeopardize gains made in health and education. They decrease investment rates and result in yet lower capacity to live with the declining prices.

The collapse of the international intervention policies at the end of the 1980s and the rise of commodity market reforms of the 1990s in developing countries have, in some cases, contributed to increased efficiency and greater transparency, but they have also often left the commodity sectors and small producers, in particular, largely to themselves in their struggle with market demands.

There is a growing realization that the present situation is untenable. In the past few years therefore, commodities and commodity dependence have moved back onto the international agenda, including at the UN. All international commitments emphasize the need to build the capacity of commodity-

⁸³ From ECOSOC roundtable discussion, "Commodities, markets and rural development" hosted by UNCTAD, 30 April 2003.

dependent countries to strengthen their competitiveness and diversify their economies.⁸⁴

Governments of commodity-dependent developing countries should develop balanced and effective commodity strategies in close consultation with key actors. Such strategies could include the following elements:

- In increasing productivity, they should focus on stimulating producers to reduce average costs or to tap into market segments through product differentiation.
- Financial institutions should be encouraged to facilitate access to price risk and trade financing instruments to mitigate the risks of short-term price fluctuations and to help open new financing mechanisms for commodity trade.
- Governments should improve equitable access to affordable infrastructure (roads, telecom, water, and electricity) to bring down the cost of production, transport, and marketing. They should also strengthen and enforce a transparent regulatory environment, including fiscal policies; competition policy; and health, environmental, and quality control and certification for products and production.
- Identifying trade-related capacity SPS barriers and building elements would help these countries to integrate further into the value chain or move into other non-traditional commodities

In addition to efforts from producing countries, contributions from international corporations are also important. Retailers, processors, and traders should effectively implement a policy of corporate social responsibility. This could include the introduction of codes of conduct for the purchase of commodities. Codes should comply with the OECD guidelines, ILO/UN treaties, and existing national legislation. Producers could be compensated for extra work and the increased costs of production. Secondly, the international corporations could be challenged to invest directly in strengthening the capacities of developing countries to add value and diversify.

None of the above ideas would entail intervening directly in commodity markets. On the contrary, they seek to provide more sustainable, structural solutions by promoting the better functioning of these markets. They should

⁸⁴ The European Commission will soon produce an analytical working document on agricultural commodity trade, dependence, and poverty. This paper will examine a series of ideas and provide an input to ongoing discussions on how to meet the international commitments relating to commodities.

be aware of the widening margins and the need to address these by competition policy. But a question is how to ensure that actions reduce costs and increase profits for producers but do not lead to further price decreases by increasing overall supply.

The European Commission will continue to support the International Commodity Bodies (ICBs), provided they continue to improve effectiveness and efficiency, as well as open up for greater multi-stakeholder participation. The ICBs are a platform for dialogue among all actors in the commodity chain, able to monitor the different initiatives and induce synergies in the process.

Creating Political Will For A Fair Market⁸⁵

by James L. McDonald, *Bread for the World*

The world today produces enough food to feed everyone. Yet when farmers in Mozambique sink their hoes into dark red soil, most toil not knowing whether they and their children will go to sleep hungry that night. They face hunger, despite hard work, because they do not produce everything they need and often receive low prices for what they do produce. This state of affairs arises partly because the United States and other developed countries flood Mozambique's markets with cheaper products – subsidized by U.S. taxpayer dollars.

For nearly three decades Bread for the World has been working to build the political will in the United States and other industrialized countries to end hunger. We know that for a relatively modest effort, the nations of the world could accelerate the progress that already is being made against hunger and poverty and meet the Millennium Development Goals. We have a better understanding of what works and what contributes to effective poverty reduction. But the needed resources have yet to be fully mobilized.

Of the 840 million people in the world who are poor and undernourished, nearly three-fourths live in rural farming communities and will continue to do so for generations. Agriculture is central to their ability to earn a living and feed their families. For developing countries to build their economic potential, Bread for the World Institute's 2003 Hunger Report, *Agriculture in the Global Economy*, finds that industrialized countries like the United States and European Union members should live up to their free-trade rhetoric and work together to eliminate trade-distorting subsidies and tariffs. As structured, the global agricultural system is stacked against poorer countries.

Bread for the World is a Christian citizens movement against hunger. Founded in 1974, Bread for the World is the largest grassroots advocacy network on hunger issues in the United States and also accounts for most of the constituent lobbying that is done in the United States on behalf of poor people overseas. Each year, the organization's legislative campaign generates a quarter of a million letters to the U.S. Congress. The 2003 campaign, *Rise to the Challenge: End World Hunger*, urges the U.S. Congress to establish and fund a Millennium Challenge Account (MCA) focused on poverty reduction in the

⁸⁵ From the brainstorming session at the ECOSOC High-Level Segment Dialogue, 24 March 2003.

world's poorest countries. If fully implemented, the MCA would double U.S. poverty-focused development assistance.

Many Americans believe the old saying, "Give a man a fish, and you feed him for a day. Teach him how to fish, and you feed him for a lifetime." They want U.S. foreign policy and development assistance to reflect this truism. According to a 2002 survey commissioned by the Alliance to End Hunger, nearly 40 percent of Americans polled say the most effective way to fight world hunger is to help farmers in poor countries produce more food. The second most popular solution is to promote more open markets and economic development in poor countries.

Yet the United States and other developed countries continue to protect their agriculture by paying some farmers more than \$300 billion in subsidies annually—six times what they give in development aid. Because these payments encourage domestic farmers to produce more, world agricultural markets are glutted with subsidized crops like corn, cotton, sugar and wheat, ultimately leading to lower prices for all farmers.

Current U.S. farm policy enables the nation to export certain commodities at prices well below production costs. Corn, for example, is priced at 20 percent below costs. Though many developing countries have the advantage of cheap land and labor, their farmers cannot compete with these subsidized prices. Unable to sell their products even in national and local markets, poor farmers and rural communities are condemned to a cycle of poverty and hunger.

The current system of agricultural subsidies is not the best way to deal with poverty and economic decline in rural America either. Less than half of U.S. farmers receive subsidies. Economically stressed communities in rural areas would be better served through economic development initiatives, business promotion, job training, infrastructure development, and direct assistance to poor families. Subsidies have been in place for generations and some farmers would need time and help to adjust without them. But a better path must be found that supports America's rural economies and provides U.S. farmers with feasible options without distorting global markets.

Last year, the Bush administration took a significant step forward in the fight against global poverty and hunger by proposing to increase development aid by \$5 billion annually for poor countries that demonstrate their ability to use the money well. Funding would be channeled through a new Millennium Challenge Account, with the money increasing to the new level between 2004 and 2006. If achieved, this increase should include important new funding for

agriculture and rural development. But poor countries also need access to U.S. and other developed country markets for their agricultural products.

New research by the International Food Policy Research Institute (IFPRI), released in Bread for the World Institute's 2003 Hunger Report *Agriculture in the Global Economy*, indicates that the elimination of subsidies and protection in industrialized countries would allow developing countries to triple their annual net agricultural trade (exports minus imports), from \$20 billion to \$60 billion. That is about two-thirds the value of all development and humanitarian aid provided by industrialized countries. Getting European countries to liberalize agriculture is especially important to developing countries, but reforms in North America and Japan also are needed. The impact of liberalization would vary among developing countries, and some low-income food-importing countries would need help in coping with less food aid and higher food prices. But over time, nearly all developing countries, especially poor rural populations, would benefit from the liberalization of agriculture.

Of course, trade alone cannot solve the many complex problems facing poorer countries. Developing countries themselves must support agricultural and rural development with research and agriculture extension, roads and communication networks, credit and storage facilities. It is also important to involve poor people, especially women, in decision-making processes. Industrialized countries can help by increasing poverty-focused development assistance. But reforming global agriculture would raise farm prices and improve export prospects, so that poor and hungry rural people would have more opportunity to work their way out of poverty.

The farm policies of industrialized countries are contributing to the persistence of global hunger and poverty. The many powerful interests at stake in global agriculture will make reform difficult. But unless the reform process begins, farmers and their families in Mozambique and other poor countries will not escape the grip of poverty and food insecurity.

Microcredit⁸⁶

by Sam Daley-Harris, Microcredit Summit Campaign

The Microcredit Summit Campaign is a civil-society-based effort to reach 100 million of the world's poorest families, especially the women of those families, with credit for self-employment and other financial and business services by 2005.

Microcredit clearly is not a panacea. There are many other important interventions that must be brought into play if the MDGs are to be achieved. But microcredit is the most powerful intervention we have toward cutting absolute poverty in half by 2015. Said another way, the world is not very good at helping people who make 50 cents a day move above \$1 a day through wage employment. That is why self-employment and the impetus it is given through sustainable microfinance for the very poor is so important.

For example, in the early 1990s, Shahidur Khandker of the World Bank conducted an exhaustive study of three Bangladeshi microcredit institutions. Khandker's study, published by Oxford University Press in 1998, concluded that microcredit programs combat poverty by increasing the household consumption expenditure of participants. Microcredit borrowing from a program reduces moderate poverty among participants by as much as 20 percent and extreme poverty by as much as 22 percent. This means that as much as 5 percent of participating households could rise out of poverty every year.

If microcredit is to play a leadership role in cutting absolute poverty in half, microcredit practitioners will have to not only continue to build institutions that are financially strong but will also have to improve their ability to cost-effectively reach families who live on less than \$1 a day. They must combine microfinance with education in areas such as child survival, reproductive health, and HIV/AIDS prevention.

The microfinance field has been based on building institutions that are financially self-sufficient. But the drive to financial strength has pushed too many in the field away from working with those starting at less than \$1 a day. The Microcredit Summit Campaign is striving to demonstrate, therefore, that the very poor can be reached cost-effectively, and over the last two years, the staff in Asia and Africa have led classroom sessions on cost-effective poverty measurement tools in 75 cities, in 33 countries, for more than 2,900 practitio-

⁸⁶ Brainstorming session at the ECOSOC High-Level Segment Dialogue, 24 March 2003.

ners. This year, due to support from IFAD in Rome, the Asia organizer has begun leading three-day training sessions on these poverty measurement tools in eight cities across Asia.

Also, through the support of UNFPA, the campaign has recently commissioned a 30-minute training video on cost-effectively combining microfinance with education in child survival, reproductive health, and HIV/AIDS prevention. Microfinance practitioners are starting to realize that any successful approach must be broad based.

If microcredit is to play a leadership role in cutting absolute poverty in half then donor agencies such as the World Bank, UNDP, and the bilateral donor agencies must ensure that sustainable microfinance for the very poor is more than just a footnote in their policies.

Currently, the World Bank spends about \$168 million each year on microfinance—less than one percent of total Bank spending. In addition, it is not clear how much of this reaches families who start at below \$1 a day. UNDP's Special Unit on Microfinance (SUM) spends about \$15 Million a year on microfinance. Even if UNDP's core budget spends an equal amount (which UNDP has difficulty assessing) this combined \$30 million would be just over one percent of UNDP funding. Again, it is not clear how much, if any, of this reaches families who start at below \$1 a day.

Still, there are many microcredit success stories. Saraswathi Krishnan, who lives in India, told hers.

"When my children cried at night from hunger, I felt like killing myself," she recalled. Saraswathi's husband, an unskilled wage laborer, earned very little and often squandered what little he made on alcohol. Eventually, when the roof of their tiny hut was about to collapse, having no jewelry or other assets to pledge for a loan to repair it, Saraswathi sold her seven-year-old daughter into bonded labor to a local merchant for 2,000 Indian rupees (about US\$40).

"My little girl complained to me daily that the merchant abused her. His family would eat food in front of her and give her none," she remembered. Five years later Saraswathi joined Working Women's Forum, a women's self-help and microcredit program based in Chennai, India. With her first loan she began a small vegetable selling business and paid off her debt to the merchant, freeing her daughter, who now attends school.

With a second loan she bought her sixteen-year-old son a loom. Previously he would bring home around \$5 per month doing odd jobs for wealthy

families. With the loom, he can weave two saris per month, earning him as much as \$25.

Now Saraswathi's vegetable business is thriving as well, thanks to her hard work and the training she has received from the program. She is glad to be able to give her children opportunities. "I will never mortgage my children again; they will be educated. Now I see to it that my husband is good and does not beat me anymore." With the family's new sources of income, Saraswathi has a sense of pride and security she never before experienced.

■ Chapter 5

Health and Education

*Health, Education, and Poverty*⁸⁷

An Overview

This chapter will explore the complex issues of health and education from a variety of angles, with a special emphasis on the way gender manifests itself in these areas. The first article introduces the topic. The next three sections discuss the vital role that primary education, particularly girls' primary education, will play in any successful rural development program. Representatives from UNICEF and FAWE share their experiences on the subject. The next two sections present reproductive health as a cornerstone of rural development—in this context, the piece by Dr. Tomris Türmen offers strategies to make pregnancy safer. The seventh and eighth sections address the HIV/AIDS epidemic, including its gender dimensions. And the final two sections highlight the importance of involving local people as active agents for change in any efforts aimed at helping them.

Poverty and Sickness

Poverty and ill-health make up a vicious circle in which poverty undermines health and ill-health is often a root cause of poverty. Education has the capacity to break the cycle but can also fall victim to it, since very poor or sick children are not likely to go to school. Not surprisingly, healthcare and education services are in general of lower quality in rural areas of developing countries than in the rest of the world. And it is the rural populations who are in dire need of these services. Rural populations are more vulnerable to communicable diseases, higher fertility and its consequences, and childhood diseases. Diseases like TB and malaria are not exclusively diseases of the poor, but they are more readily transmitted in conditions where poverty is pervasive.⁸⁸ In addition, rural women tend to have more children, are less likely to be using family planning, more likely to have children while they are still in their teens,

⁸⁷ Based, in part, on the issues paper for and summary of ECOSOC ministerial roundtable discussion, "Inequities and Inequalities in Rural Health Care," hosted by WHO, 2 July 2003.

⁸⁸ "Systematic Analysis of TB and Poverty," submitted for publication by the TB and Equity Project at the Liverpool School of Tropical Medicine.

and less likely to use the formal health care system during pregnancy and childbirth.

The rural poor face a panoply of barriers to effective healthcare.⁸⁹ They have fewer resources to use for direct costs such as transport to health facilities, consultation fees, and medicines, and for indirect costs such as child care and lost income. Poor roads and infrastructure, gender and ethnic discrimination, political exclusion, and a lack of information and education conspire to render quality healthcare almost inconceivable to many. Even when the rural poor do receive care, the quality is often inferior and follow-up programs nonexistent.⁹⁰

The living conditions of the rural poor pose other threats to health. They often live in fragile environments, at risk from drought, soil erosion, floods and other disasters. They are more susceptible to diseases because of malnutrition, inadequate sanitation, and lack of clean water. Serious illness can impoverish families for many years, forcing them to sell their assets and deepen their poverty in order to meet the cost of the treatment and other related debts.

Governments, NGOs, and local communities must explore ways to translate relevant policies into practical and effective action that will benefit the rural poor—improving the quality and reducing the risk factors. The financial burden, especially out-of-pocket expenditures, must be reduced through policy interventions like social insurance. National and international groups should work to build and strengthen health facilities, re-allocate resources, and provide sufficient drug supplies and equipment.

Building up effective health systems, including infrastructure and trained human resources, is crucial to combat the major health problems, such as HIV/AIDS, malaria, tuberculosis, and to make sure the interventions reach the rural populations. In low-income countries, the growth of primary health care can serve as an overall strategy both to increase service availability and to improve access to services through close-to-client systems in outreach facilities.

In some cases, governments must also consider creative ways to address the health crisis in the developing world. Loosening the requirements for registration of professionals and incorporating traditional or alternative medicine might open up new opportunities for effective care. In countries that had rigid central planning, such as the former Soviet Union, the move towards more

⁸⁹ Even some developed countries, Canada, for example, have difficulty recruiting physicians in rural areas, even though the infrastructure is available.

⁹⁰ Poverty analysis found that the poor have greater difficulty completing TB treatment than those with moderate incomes.

decentralized systems has been a general trend. In these cases, space can be created for communities to define solutions for themselves and contribute innovative actions which may, in the long run, lead to the development of more sustainable health systems.

The same pro-active efforts are required in the realm of education. Partnerships between local, national, and international organizations must be forged in order to improve the quality, accessibility, and relevance of schools in rural areas. Special attention must be paid to girls' education, since cultural norms, traditional gender roles, and the devastation caused by HIV/AIDS undermines girls' and women's educational prospects. An uneducated woman begins her adult life at a disadvantage, and the handicap only worsens as her life goes on. Women tend to be excluded from employment and ownership of land. They are often vulnerable to health risks due to lifestyle choices forced upon them by necessity or by practices such as early marriage.

Successful rural development, pro-poor policy, healthcare improvements, and education expansion are all interdependent. Only by moving forward on all fronts simultaneously will successful integrated rural development become a reality.

Primary Education and Girls' Education in Rural Areas⁹¹

Education as a Prerequisite to Achieving the MDGs

In September 2000, 189 of the United Nations member states ratified the Millennium Development Goals (MDGs), which include a pledge to eliminate gender disparity in primary and secondary education by 2005 and to achieve universal primary education by 2015.

The outlook is not optimistic: While some progress has been made, it is clear that the goal of eliminating gender disparity will not be reached by 2005, and much work remains to be done if universal primary education is to be achieved in the next eleven years. There has been a particularly disappointing lack of progress in the rural areas of developing countries.

Worldwide, three quarters of the extreme poor live and work in rural areas, so rural poverty reduction and development are top priority areas for action. Integrated approaches are critical to ensure that such action addresses poverty in all of its multiple dimensions—social, economic, and political—including a focus on capacity-building and empowerment of poor people as actors in their own development.

As a tool for empowerment and sustainable development, education serves as a door to *all* the MDGs, with girls' education a key to unlocking its full transformative potential. This is recognized in the World Education Forum's Education-for-All (EFA) efforts as well as in the *World Fit For Children* document of the Special Session for Children. It is widely recognized that without success on the education goals, prospects for achievement of the other international goals are very faint.

As a basic right, education is an intrinsic good in itself, leading to broadened individual capacities and freedoms. It is also associated with a host of positive development outcomes. Improved access to education for girls in particular is one dimension of empowerment, which helps break the inter-generational transmission of poverty and serves as a catalyst for all aspects of human development. In situations of conflict and post-conflict, for instance, quality

⁹¹ Based on the issues paper prepared by UNICEF and UNESCO for the ECOSOC ministerial roundtable discussion, "Primary Education and Girls' Education in Rural Areas," hosted by UNICEF, 30 April 2003, an issues paper prepared by WFP for the same conference, and the summary of the proceedings.

education serves as a key means of restoring normality to children's lives and contributes significantly to national reconstruction efforts.

Clear and compelling evidence links education—particularly maternal education—with lower child mortality, better child health and nutrition, higher life expectancy, and lowered fertility. Education is also a means of empowering girls against HIV/AIDS, giving them the knowledge and self-confidence needed to protect themselves in what are often unequal gender relations. Educated women are more likely to value education and send their own children to school, generating a positive spiral of development. For girls and women, education can be a driving force pushing them out of gendered patterns of discrimination, a springboard by which they may claim their rightful place in society. Education underpins the practice of democratic citizenship, tolerance and respect for diversity, and it lays the foundation for accountable governance. Given the high level of women's participation in agricultural production in many rural areas, the education of girls is also a critical economic investment.

Access to Education

Basic survival and sustenance issues understandably frequently take precedence over education for poor households; education must therefore be free and open to all. Ideally, education should be not only free but also compulsory, but making it compulsory before it is truly cost-free would unfairly penalize poor parents. Abolition of school fees, economic incentive programmes such as scholarships and subsidies, free school supplies and uniforms, school feeding programmes, child-care programmes for siblings, and the introduction of labour-saving technologies can all help increase rural school attendance. Rural families often count on the labour of their children for tasks such as farm work; finding food, water, and fuel supplies; childcare; food preparation; and wage labour. Schools should therefore offer flexible timetables built around labour demands. At the same time, the reinforcement of laws against exploitative child labour is vital.

In addition to financial obstacles, rural children also face policy, geographic, and physical obstacles to education. Some children without birth certificates are barred from school. Poor governments often do not extend social services to the most rural, hard-to-access areas, so schools are often rudimentary and far apart, and children are required to walk long distances to school. This may raise family concerns about their children's (particularly girls') safety and security while en route to and from school.

Even when a child does make the trek to school, he or she is often faced with a lack of chairs and tables, over-crowding, lack of appropriate water and sanitation facilities, and poor safety. Teachers—especially female teachers—often are discouraged from working in rural areas by the lack of basic services, inadequate school supplies and books, and even threats to their safety. In situations of conflict or emergencies, rural school infrastructure is often totally devastated and populations are uprooted. Because of these and many other factors, the attendance of poor children in rural areas is lower than for their urban counterparts, and the drop-out rates are higher.⁹²

Innovative flexible schooling options such as tent schools, floating schools, or mobile teachers for nomadic populations can help reach excluded and hard-to-reach groups. Non-formal schools can significantly expand access to underserved groups, and school calendars can be adapted to the seasonal rhythms of rural life.

Quality and Relevance of Education

Rural parents will not send their children to school if they are not convinced of its quality and relevance. Improved teacher training and support is critical, including training in new active-learner techniques, assessment measures and school management. Curricula and teaching materials should be reviewed for relevance—including relevance to rural livelihoods—and gender sensitivity. Books and school supplies should be available for children, and distributed equitably. Special incentives may be needed to increase the number of female teachers in rural areas. Mother-tongue or bilingual programmes in the early grades are an effective way to enhance learning for children who do not speak the official language of instruction. Policies and practices on corporal punishment and teenage pregnancies need review.

So, parents must be convinced of the relevance of education, and then international organizations, governments, and communities must work together to provide it. Communities and governments must work to overcome challenges and ensure that rural schools receive the same kind of supervisory visits and other forms of support and quality control that urban schools receive. Any educational

⁹² Data from recent household surveys in 36 countries in sub-Saharan Africa reveal that only 52% of rural children attend primary school, compared to 73% of urban children. In six of the countries, more than 7 out of 10 rural children were not attending school. A recent “report card” on education in Latin America also found serious inequities, noting that quality education seldom reaches poor, rural, or indigenous children. Similar disparities characterize other regions of the world and have been recognized in all regional frameworks for action on Education for All, including Asia and the Pacific, the Arab States, and Europe and North America.

reform must also address the digital divide. Providing computers to rural schools is a challenge because of the lack of electricity in rural areas, the lack of human resources, and the knowledge gap, but solutions must be found. Solar technology is being developed, though it is not yet ready for mass consumption. Other technology options include greater use of the radio, which is widely available and could help bring education closer to homes and parents.

Rural Girls: Most Likely to be Left Behind

Girls make up the majority of the 115 million children out of school. For rural girls, gender intertwines with poverty, ethnicity, and a host of other socio-cultural and economic factors to intensify their disadvantage in education. Numerous studies have highlighted the compound effect of gender and household wealth or gender and urban/rural location on the levels of disparity in enrolments and progression through primary education. Very poor rural girls are invariably at the bottom of the educational heap in terms of enrolments. If forced to choose, very poor parents may send sons rather than daughters to school, in part because rural girls are often expected to combine productive tasks with family chores and child-care. In some countries, drop out and repetition rates among rural girls can be twice as high as for those of boys and the gender gap in primary completion may be widest in rural areas.

As a cumulative consequence of education deprivation, illiteracy is increasingly concentrated among women, with particularly low levels of literacy among women in the rural areas. In addition, there are cultural biases against girls' achievements in maths and sciences. It is abundantly clear that if education for all is to become a reality, it is the marginal girl that needs to be reached.

Parents who fear for their daughter's safety may be more likely to send her to school if strategies such as cluster schools and multi-grade classes improve planning and ensure that schools are located closer to homes. Provision of water and separate latrines for girls plays an important part in creating a child-friendly/girl-friendly environment, as do measures to ensure physical safety. Appropriate housing facilities can offer one incentive for female teachers to serve in rural areas.

Policies related to pregnancy in school pose a difficult dilemma. Exclusion is unfair, particularly when it does not apply equally to the boys who are involved; however, policies of retention have been seen by some communities to encourage more pregnancies. In general, the issues should be considered in legislative bodies within the context of human rights, whereby exclusion con-

stitutes a basic infringement on the right to education. Proper guidelines for policy implementation and counseling are essential.

Some families and communities may see the education of girls as contradicting culturally prescribed patterns such as early marriage and motherhood, the generally low status of women, the lack of female mobility and security, and the lack of economic and social opportunities for women. Inheritance patterns favouring males may also make education an unequal choice for girls.

Such cultural barriers call for the development of culturally appropriate schools with endorsement by religious and political leaders, coupled with practices that ensure girls' safety. Village committees can help promote culturally acceptable female education and parent groups can get involved in school activities. Social mobilization and information campaigns, including media campaigns, face-to-face communications, and production/distribution of motivational material can further help raise rural parents' awareness of the importance of education. Expanded access to economic opportunities and productive rural livelihoods for educated girls and boys must also be sought on an equal basis.

Nutrition and Hunger: Key Factors

Hungry children are less likely to go to school and less able to learn if they do attend. More than half of the world's school children are iron deficient, with adolescent females suffering the highest prevalence of iron-deficient anaemia. This condition weakens the child's immune system, physical development, cognitive ability, and school performance, and it causes fatigue. In addition, some 60 million school children suffer from iodine deficiency, the leading cause of preventable intellectual impairment. And recent evidence suggests that vitamin A deficiency is more important to school-age children than previously believed. Some 85 million school-age children are at higher risk of respiratory and other infections and even blindness due to their being Vitamin A deficient.

School feeding programmes, coupled with nutrition education can offer a positive response to the nutritional needs of rural learners. School health services can be improved to cater to health needs associated with rural areas (e.g. parasitic infections, micro-nutrient deficiencies, trachoma), while school health and hygiene education can further promote healthy behaviours. Schools themselves need to provide healthy environments for learning, including through adequate water and sanitation. Take-home rations enhance nutrition

and also cut down on children's—especially girls'—work in the preparation of meals at home.

Impact of Disease, Especially HIV/AIDS, on Girls' Education

While malaria, intestinal parasites⁹³, and other diseases can have devastating effects on school-age children, none match the scourge of HIV/AIDS. Although HIV/AIDS infection rates are lower for children aged 5 to 14 than for any other age group, almost 3 million children under 15 years of age are infected. The pandemic has a profound impact on the welfare of un-infected children as well. Over 13 million children under 15 have lost one or both parents to AIDS; this number is expected to almost double within ten years. Orphans and children living with HIV-positive parents are at high risk for nutritional, educational and psycho-social problems. In addition, girls are often called upon to assume more of the burden of work in the home when parents or family members sicken or die.

HIV/AIDS creates a vicious cycle when it comes to education. The disease keeps children, especially girls, out of school, but school is the very place they could learn the essential life skills needed to protect themselves against it.

Multi-Sectoral Cooperation in Rural Development

All children have the right to free and compulsory schooling of good quality — it is incumbent upon governments to fulfill this right, even if it means a significant increase and shift in resources. But shared commitments call for strengthened partnerships among governments, multi-lateral and bilateral organizations, NGOs, CBOs, parents, teachers, and children themselves to secure and effectively utilize needed investments in education. National EFA plans and sector-wide approaches should be aligned with national development plans. Equity should be a key feature of plans developed to make use of the World Bank's Fast-Track Initiative resources. UNICEF's acceleration strategy for girls' education and the UN Girls' Education Initiative (UNGEI) offer further avenues for mobilization around the gender equity goals in education.

There is little dispute regarding the benefits of education, and most recipient and donor governments have signed onto the Education for All goals. At best, however, investments in education are long-term and the "pay-off" is

⁹³ Worm build-up and damage is generally the greatest in school-age children and can cause malnutrition, bowel obstruction, internal bleeding (and thus anaemia), low energy, discomfort, and poor attendance and performance in school or for other tasks. In the worst cases, mental and physical retardation can result, or even death. An estimated 3.3 million children die from intestinal infections each year.

delayed, requiring a generational cycle to be realized. At worst (and all too frequently) the investment is long-term and the benefits are impeded or derailed. Factors unrelated to education, such as natural disasters, war, disease, and poor governance can reduce or eliminate the benefits of an education and can also assume political and budgetary priority.

In comparing rural and urban educational investments, it is clear that the average cost per student is higher for rural schools than urban schools with the same standards. This is due to the higher cost of transport and communications for schools located at a distance from central services, generally lower student-to-school ratios, etc. Even if the rural voice were of equal political importance, a cash-strapped government would more likely choose to tend to urban schooling needs. This is a function of cost: A larger number of students in urban schools can be reached for the same cost as would be incurred for fewer rural students.

So, the private sector must get more involved. Donor support to education has fluctuated over the years but has never achieved recommended levels. Meanwhile, donor frustration regarding investments in education has been quite high. The reasons cited are many but largely revolve around the lack of recipient government commitment and management capacity, and sustainability. Donors can admire the educational attainment of individual beneficiaries, but as for past investments in educational infrastructure, the track record is littered with examples of investments that were wasted or had only limited or short-term results due to the impact of mismanagement and corruption, conflict, or natural disasters.

In developed countries, there are very strong direct and indirect links between education and private sector interests. Governments invest in education; this investment creates employment and profits as well as producing a skilled workforce. Taxes are paid by the workers and the companies alike, some of the tax revenues are re-cycled into education, etc. An interdependent network of individual, government, and business interests is developed which is sustainable over long periods of time. Transferring this model to the developing world is a central challenge as we move forward in the twenty-first century.

Examples from the Field: UNICEF and Girls' Education in Rural Areas⁹⁴

UNICEF's focus on girls' education as an organizational priority is a strategic response to the call for quality basic education for all (EFA) and a central component of its commitment to the MDG gender and education targets, the goals of the *World Fit for Children*, and the rights enshrined in the Convention on the Rights of the Child. UNICEF plays a leading role in advocating for girls' education to be viewed as an entry point to education for all children. It is an issue that involves integrated action across sectors and depends on progress both within and outside of the education sector.

While progress has been made in providing quality basic education for an ever-increasing number of girls, it is clear that the world is not on track to achieve the 2015 goals and that the gender parity goal set for 2005 is rapidly slipping out of reach for some countries. Girls still make up the majority of the 115 million children out of school, with sub-Saharan Africa and South Asia particularly affected. As lead agency within the UN Girls' Education Initiative (UNGEI), UNICEF works with partners at many levels to accelerate action, shape strategies, and build the alliances that are so critical to achieving the goals. In view of the urgency of the situation, UNICEF has developed a strategy for accelerating progress on girls' education in all countries, but with a special focus on intensive efforts in the 25 countries most at risk of failing to achieve the 2005 gender parity goals – 20 of them in Africa and South Asia. This new strategy is designed to ensure maximum synergy with the Education-for-All Fast Track Initiative (FTI), spearheaded by the World Bank and other initiatives in education.

At the country level, UNICEF's programmes emphasize multi-sectoral strategies to expand access to education, to enhance educational quality, and to ensure positive learning achievements, with interventions designed to address some of the most persistent barriers to girls' education and to eliminate gender disparities. As gender disparities are often linked to other sources of inequality, holistic approaches are necessary to ensure equitable outcomes. For rural girls in particular, gender often intertwines with geography, poverty, ethnicity, and a host of other socio-cultural and economic factors to intensify the disadvantage in education. The following examples illustrate some of the

⁹⁴ UNICEF's presentation at the ECOSOC ministerial roundtable discussion, "Primary Education and Girls' Education in Rural Areas," hosted by UNICEF, 30 April 2003.

ways UNICEF is helping to address these issues and make progress towards the gender and education goals in rural areas.

Selected Examples of UNICEF's Support for Girls' Education in Rural Areas

Community Schools in Egypt. Since 1992, UNICEF has supported the Community Schools Initiative in Egypt, working in partnership with the Ministry of Education, NGOs, and communities. The aim is to provide quality education for children living in small, rural hamlets in Upper Egypt where primary schools were previously non-existent and rural girls were particularly deprived (net enrolment rates for rural girls ranged from 50%-70%, compared with 90% nationally). Currently, the 200 community schools established by the project have reached some 6,000 children – 70% girls. Modelled after the BRAC experience in Bangladesh, the schools are located in the communities themselves, and hidden costs—from uniforms to school bags—are removed. Local ownership is a key feature of the project, with communities donating space, ensuring that children come to class, and managing the schools through a local education committee established in each hamlet. Young women with intermediate degrees are recruited locally and trained as facilitators to provide quality education through inter-active techniques, and the content of education is made relevant to local needs and interests, including health, environment, agriculture, and local history. Graduates from community schools are eligible for exams in government schools at the end of grades 3 and 6.

The project is serving as a catalyst for development and change in gender roles and expectations for the girl students as well as the women facilitators. In a sign of national ownership, the government has also developed a one-room school initiative modeled in part on the principles of the community schools. UNICEF is now working closely with the Ministry of Education to expand the community school experience to areas where girls' enrolment is low and to incorporate the quality components of the project into the mainstream education system, while strengthening national capacity for implementation of the model.

Education for nomadic children in Sudan. Nomadic populations the world over are often among the most impoverished of rural dwellers, their nomadic lifestyle itself seen as a major obstacle to the provision of basic services. In Sudan, where pastoral nomads make up about 8% of the population, nomadic children have been largely excluded from education. In the mid 1990s, fewer than 5% of nomadic boys and virtually no girls were attending primary school (com-

pared to average national total gross enrolment of about 50%). The Education for Children of Nomads project was initiated in 1993 in Darfur states, where enrolment of children from nomadic communities was negligible. Based on a partnership between communities, state education authorities, and UNICEF, the project supported the establishment of multi-grade, single-teacher schools for nomadic children that provided community-based education up to grade 4.

Now a decade old, the activities designed to increase learning opportunities for nomadic children have made substantial progress. The schools are accessible, because they move with the nomadic tribes. They are affordable, because costs are shared between government and the communities. They are appealing, because incentives offered by the community and the government attract good teachers who use good quality teaching materials provided by UNICEF. They are culturally appropriate, because they provide an educational environment that communities consider safe for their daughters. By 2002, the nomadic education project had reached national dimensions, with more than 45,639 children (35% girls) enrolled in 651 UNICEF-supported nomad schools in 9 states, and demand continues to expand. Now, communities with schools are sometimes making migration choices based not only on the needs of their animals for grazing and water, but also on the needs of their children for education. "We now only move twice a year instead of 4 times", said one community leader, "because it is less disruptive to the school." A key challenge for the future lies in developing appropriate means of extending educational opportunities beyond grade 4.

Reaching rural girls in Yemen. Girls' education is a challenge in Yemen, especially in rural areas where only 30% of school-age girls are enrolled (compared to 71% of girls in urban areas). UNICEF's support has been designed to address basic obstacles to rural girls' participation in education, including lack of schools and lack of female teachers (women make up 20% of the teaching force overall but only 8% of rural teachers). Activities aim to expand access through construction and rehabilitation of community schools built close to home, to improve quality through pre-service and in-service training of female teachers, and to strengthen awareness of the importance of education through information campaigns in the media and through inter-personal communications by religious leaders. Parent-teacher associations and communities are involved in school construction, which includes the provision of classroom furniture and equipment as well as separate toilets for girls. Assessment has shown positive results in expanding access, with project activities undertaken in 17 districts in 5 governorates, as well as in stimulating more active

participation of students in the learning process. But continuing challenges remain and will be addressed through support by UNICEF and other partners for the recently developed a National Strategy for Basic Education. Yemen is also part of the World Bank's Fast Track Initiative.

Including the excluded: rural indigenous girls in Latin America. In Latin America, where overall enrolments are high, equity issues remain a key concern, particularly for rural and indigenous populations who are often excluded from education. In Guatemala, for example, while 60% of the school-age population lives in rural areas, only 24.5% of the schools are found there, and while 50% of urban students finish primary school, this drops to 20% for rural students (21 for rural boys; 17 for rural girls; 12 for indigenous children). Within the context of national education reform, UNICEF supports extended coverage of bilingual and inter-cultural schooling along with strengthened teacher training. In Bolivia, where net primary enrolment at national level has reached 93%, it is estimated that some 85,000 children aged 6-15 are still out of school—mostly in rural and indigenous areas. Difficulties in access and retention for rural, indigenous girls are particularly acute. UNICEF supports government efforts to extend bilingual, intercultural education, including through extensive social mobilization and information campaigns and—through the Amazon sub-regional programme—training for indigenous teachers.

In Colombia, through the PROANDES sub-regional programme, UNICEF since 1999 has been promoting the child-friendly school initiative in departments characterized by the highest concentrations of indigenous populations and lowest indicators of education achievement. In many instances, a significant improvement was made on the overall quality of education, thanks to participatory methods in the learning process and improvements in overall school environment. In Peru, a UNICEF-supported programme of 'Opening Doors to Rural Girls' Education' has aimed since 1999 at promoting the right to education as well as the right to wider participation in society of indigenous girls living in rural areas. Parents, teachers, and other community members participate in community education committees which help to maintain a clean and healthy school environment, organize adult literacy classes, and identify out-of-school children. These committees also develop educational materials and help raise awareness of children's right to an education and gender equality. Teachers report that the project has helped to change the attitudes of many community members, addressing the hidden, gender-based factors that contribute to girls' exclusion from quality education.

Ensuring the rights of rural working girls in Iran. Many children who are out of school around the world are engaged in child labour, forced by poverty to work to support themselves and their families, often under hazardous conditions that represent an infringement of their basic human rights. As part of the educational disparity reduction programme in Iran, UNICEF supports education for rural working girls who have dropped out of school in disadvantaged provinces. The aims are to increase enrolment and completion rates; to train female teachers in new teaching and learning activities; and to promote life skills competency, vocational skills, and coping capacities. The project covers some 10,000 girls in 9 provinces, with positive outcomes in learning achievements and retention rates. It has also resulted in higher self esteem, communication skills and peer-bonding among the girls who participate. Through the project, the national literacy movement organization has designed a new training curriculum for its teachers and has adapted educational material, assignments and classroom activities to suit the basic needs of rural girls. Future plans include a comprehensive intersectoral approach to advocacy and communication for quality girls' education.

Enhancing educational quality through the IDEAL approach in Bangladesh. In Bangladesh, UNICEF supports the Intensive District Approach to Education for All (IDEAL), which promotes child-friendly, gender-sensitive schools covering over half of the 64 districts of the country. Among other things, the programme focuses on improving quality through support for multiple ways of teaching and learning and greater community involvement. Some 150,000 primary school teachers and supervisory staff have been trained in child-centred classroom techniques to make learning more child-centred and joyful, and tools for better monitoring of learning achievements are being developed. Local-level planning has been strengthened and school management committees activated, with schools preparing annual school plans and area maps through IDEAL interventions. By 2002, the IDEAL project had been expanded to cover 9.3 million children with 144,306 teachers in 36,109 schools, with assessment showing positive results in enhancing attendance, completion and learning achievement.

Social mobilization is a key feature in national efforts to boost education for girls. To this end, UNICEF promotes equity issues through an innovative animated cartoon series known as MEENA, whose heroine serves as a role model to millions of girls. "Meena Day" is observed nation-wide, with awareness raised through seminars, art competitions, group paintings by children, and story writing by children and teachers. Bangladesh is also well known for

the extensive activities of the Bangladesh Rural Advancement Committee (BRAC), which has developed some of most effective and emulated strategies to address educational needs in poor rural communities.

Increasing access of girls to higher quality education in Balochistan (Pakistan). In the remote rural areas of Balochistan province in southwestern Pakistan UNICEF has been helping the government to boost enrolments of girls in primary schools and ensure quality teaching and learning. Balochistan is characterized by some of the lowest educational indicators in the country, particularly for girls. With the total participation rate in primary education estimated at 61% in 2002, girls' participation remained at a low of 23%. Educational opportunities for girls in rural areas are especially limited, as both facilities and female teachers are lacking, and prevailing social customs often restrict girls and women to the home. Targeting communities where more than 35-40 girls aged 5-7 were not enrolled, the project has, since 1999, registered nearly 27,000 new enrolments, with a near 90% retention rate. This has been made possible through a community-wide promotion of girls' primary schooling involving community education committees and councils, community leaders, teachers, and parents working together to create better opportunities for girls. In areas where there were no schools, 80 community-supported process schools were established and teachers for them were recruited from the community and trained. The project is now working to consolidate and build upon gains to further increase access and to improve the quality of education through application of the child-friendly school concept in a total of 730 schools in the 4 districts.

Back to school in Afghanistan. After 23 years of conflict and a ban on girls' education under the Taliban, the back-to-school campaign supported by UNICEF in Afghanistan enabled 2.9 million children to return to school in 2002 (7,000 schools staffed by about 75,000 teachers). Girls' participation rose from 5% of total enrolments in 2001 to 30% in 2002. As part of the campaign, some 74,000 educational kits were assembled in neighbouring countries and teachers' orientation sessions were held on the new materials. Efforts were made to reach every known school with the needed educational supplies, including through mobilization of 3,000 donkeys to gain access to remote rural areas. A far-reaching advocacy and community mobilization campaign was organized with the Ministry of Education to encourage Afghan parents to send their children back to school. Nationwide monitoring was achieved with a school-level national assessment which led to additional support to improve the quality of the learning environment, including school rehabilitation, and

water and sanitation facilities. The Back-to-School Initiative has continued in 2003 with the provision of educational materials to 4 million children. The role of education in national reconstruction was clearly demonstrated, with the challenge now to sustain and extend such unprecedented success.

Supporting rural ethnic minority girls in Viet Nam. Viet Nam's net primary school enrolment rate is over 90%, which is an impressive achievement given the country's low GNP/capita. However, one-third of children do not complete grade 5 and 70% of dropouts are girls. Moreover, the overall impressive performance masks significant disparities (over 90% net enrolment in Ho Chi Minh City vs. 50% in Binh Phuoc province). A tour of the primary schools in ethnic minority areas of the rural north reveals very few girls in class. UNICEF supports the government's work in primary education for ethnic minority children through multi-grade classes, satellite schools, and in-service teacher training. In 2002, UNICEF provided a package of strategic interventions designed to boost girls' enrolments in selected districts, communes, and communities. This benefited more than 9,000 disadvantaged girls, particularly girls of ethnic minorities. Capacity-building has focused on the development of training modules for teachers (Gender and Child Rights and Multi-Grade Teaching techniques); principals (Better School Management); and Parent-Teacher Associations and Education Councils (Community Partnerships in Education). Initial training for selected parents, teachers, and principals has focused on how to promote girls' enrolment and completion. UNICEF also initiated a monitoring system to encourage community partnership in monitoring of education achievements through "COMPAS," a database on children and women in education. Results so far show that enrolment trends for girls in the project areas are improving, however, they remain below the national average, indicating the need for continued efforts.

Child-friendly schools through the African Girls' Education Initiative (AGEI). In Africa, generally low overall education indicators are compounded by disparities based on gender, poverty and rural/urban location. Data from recent household surveys in 36 countries in sub-Saharan Africa reveal that only 52% of rural children attend primary school, compared to 73% of urban children. In six of the countries sampled more than 7 out of 10 rural children were not attending school. Within the urban/rural disparities, girls are often the most deprived.

Some 34 countries across Africa are currently participating in UNICEF's African Girls' Education Initiative (AGEI), initiated in 1994 with support from Canada and continued from 1996 with generous support from Norway. Through

the rich experiential knowledge base and successful models it has built, AGEI is helping to consolidate and extend support to child-friendly schools incorporating multiple dimensions of access and quality with a strong gender component. A strong partnership with the Forum of African Women Educationalists (FAWE) has strengthened implementation and advocacy around this initiative. A number of programmes include a particular focus on rural areas.

Satellite schools and early learning centres in Burkina Faso. In Burkina Faso, survey results reveal that only a fifth (21%) of school age children in rural areas are attending school, compared to nearly three quarters (71.5%) in urban areas. Among rural girls, the net attendance rate drops to 15%. UNICEF supports a network of satellite schools in under-served rural areas in an effort to bring schools closer – both physically and culturally – to children's milieu. Inspired by the BRAC model in Bangladesh and the Escuela Nueva approach in Latin America, the accent is on relevant curricula that respond to local realities; recruitment of local teachers; initial mother tongue instruction to ease the transition to French; enhanced community participation in school management and use of facilities; and intersectoral linkages through appropriate water and sanitation facilities in schools, school canteens, and accompanying support for early child care and development centres. These latter, known as "bisongo," help ensure that young children have a good start to education and also free up older girls from the care of their younger siblings so that they can, in turn, attend school.

Since 1995, some 230 satellite schools have been constructed and equipped with furniture and double latrines, with assessments showing positive results in attitudes, enrolments and learning achievement. Satellite schools are now inscribed in the 10-year development plan for basic education and in UNICEF's acceleration strategy for girls' education.

Innovations and intersectoral synergy in Guinea. In Guinea, the "Ecole Milieu" approach aims at fostering a new type of school in rural areas with low enrolment among girls, including through relevant curricula and enhanced community participation. Complementary efforts to bridge the gap between school and family include development of a school monitoring file which allows parents and teachers to more closely follow their children's progress, while non-formal education centres (known as 'Nafa' centres) help extend educational opportunities to children and adolescents who are outside of the formal system. Intersectoral synergy to maximize the impact of education initiatives is pursued through partnerships with, for example, the World Food Programme (school canteens; food rations to parents of girls), while the multi-partner

FRESH initiative (Focusing Resources on Effective School Health) is being implemented on an experimental basis in 30 schools.

Boarding schools in Botswana and education against HIV/AIDS. In Botswana, according to a 1997 assessment, some 47% of the population lives below the poverty line, with rural areas the worst affected. In partnership with government and other organizations, UNICEF has been involved in improving the boarding school environment for children living in remote areas where girls' and boys' enrolment is low. A project for remote area dwellers in the district with the highest rate of out-of-school girls was implemented in partnership with the Ministry of Education, local NGOs, local authorities, and the private sector. The project has influenced hostel design. Given the magnitude of the HIV/AIDS crisis in Botswana, which is undermining national efforts to promote and protect the rights of children and women, UNICEF is now focusing national support on Improvement of Schools as Child Friendly and Community Outreach Centers for HIV/AIDS Resources and Services, including through the development of life skills packages and peer education programmes.

Green, clean and healthy schools in Mauritania. In Mauritania, where poverty is concentrated among rural populations, there is a strong link between the level of instruction and the degree of poverty. Rates of retention are particularly low among girls, with poverty, the gender-division of labour, early marriage, and discriminatory attitudes and practices among the key contributing factors. The national Poverty Reduction Strategy emphasizes the strengthening of basic social services, including education, in the areas of greatest need. UNICEF supports a community-based multi-sectoral approach to education through the Green, Clean and Healthy school project which has been piloted in 120 sites. Targeting schools in both peri-urban and rural areas, the project includes the construction of hand-washing facilities and separate toilets for boys and girls, provision of gender-sensitive school manuals, tree-planting activities, and school gardens. Other aspects include stronger community participation in school management and monitoring, social mobilization around girls' education, and development of cultural and athletic opportunities for girls. Positive results have been registered in enrolment rates, community attitudes to girls' education and hygiene practices, and conditions in both schools and the surrounding villages. The approach has been adopted for wider application within the government's national education development programme.

A good start and continuing opportunities for quality education in Uganda. All scientific evidence points to the crucial importance of the early childhood

years in the social, psychological, and cognitive growth of a child. Yet information and support services for parents and organized early childhood development activities and pre-schools are often lacking, particularly in rural areas. UNICEF's child-friendly basic education and learning programme in Uganda includes support for the development of integrated early childhood development services and child-friendly schools in priority districts, with an emphasis on lower primary education. Cost-effective models developed at household, community/cluster, and district level help link child survival, growth, and development with a focus on convergence of services and interventions. At national level, a learning framework for early childhood development has been developed and used as a training module for parents and teachers in focus districts.

Child-friendly schools in ten districts emphasize the importance of girls' education at lower primary level, as well as the inclusion of un-reached children and children affected by HIV/AIDS. The 'break-through to literacy' programme has been identified as a best practice for early learning and life skills, with equal achievements among girls and boys.

The Girls' Education Movement (GEM) empowers girls as leaders and boys as strategic allies to help identify out-of-school children and draw them in. Intersectoral synergies are sought in a number of schools through support for the multi-partner FRESH initiative, which provides appropriate water and sanitation facilities, the training of teachers in skills-based health education, and school-based health and nutrition services. Meanwhile, through the use of innovative techniques and flexible timetables, the Alternative Basic Education Programme for Karamoja (ABEK) is extending educational opportunities to children of pastoral, semi-nomadic communities of northeastern Uganda, while the Complementary Opportunities for Primary Education (COPE) is being implemented in 8 districts where disadvantaged children have remained outside of the formal school system.

Ensuring Education in Situations of Crisis

When children are uprooted and traumatized by armed conflict, education is a key factor in bringing stability and security back into their lives. Education also provides a link to post-conflict reconstruction and development. When conflict breaks out, many geographic boundaries are dissolved, as refugee flows and internal displacements affect urban and rural populations alike. UNICEF works with partners to ensure that education is accorded a high priority both during conflicts and in their immediate aftermath. Examples in-

clude support for education for internally displaced children in Eritrea, where, in 2001 schools and makeshift classrooms were rehabilitated for over 8,000 war-affected children, including 3,220 girls; accelerated teacher training in rural areas of war-torn Liberia where over 3,600 over-aged students were provided with learning resources and mainstreamed into regular schools; and 'catch-up' education in conflict zones in Sri Lanka through teacher-training in multi-grade education and provision of supplies.

School-in-a-box and other emergency education kits have been successfully adapted for use in over 30 countries, including Afghanistan, Angola, Eritrea, Guinea, Iraq, Liberia, Pakistan and Sierra Leone. They have been especially useful in camps and communities for refugee and internally displaced children. UNICEF also promotes the concept of 'child-friendly spaces' as a means of providing an integrated response to the needs of war-affected children in a safe and secure environment, including education as a key component. First established in Albanian refugee camps in 1999, child-friendly spaces have since been adapted to serve the needs of war-affected children in Angola, East Timor, Guinea, and Liberia. UNICEF also responds to children's need for education in emergency situations caused by natural disasters.

Key Successes and Lessons Learned

Field experience from a variety of settings accompanied by assessments and knowledge exchange yield a number of valuable lessons. These in turn point to common factors of success in efforts to expand educational opportunities for rural girls as part of the overall thrust towards education for all.

Disaggregated data is essential for equitable policy development, monitoring and accountability. It is essential to get beyond the 'national average' in educational statistics in order to identify possible disparities and plan appropriate investments and support. Sub-national data disaggregated by gender, by region, by urban/rural residence, and by socio-economic status serve as a powerful and indispensable tool for policy makers at all levels, enabling them to clearly target those most in need as well as to monitor progress towards the MDGs for gender equity and education for all. Strengthened support for education management information systems (EMIS) and school mapping efforts is critical. Data from household surveys, such as the Multiple Indicator Cluster Surveys (MICS) supported by UNICEF can serve as a useful complement to administrative data, enriching the pool of information necessary for enlightened policy decisions. More work is also needed on data related to quality issues and achievements.

Advocacy and social mobilization serve as an integral part of efforts to accelerate progress. Awareness of the importance of education is created through social mobilization and community outreach efforts that involve all stakeholders. At local level, mass enrolment campaigns have proven successful when backed up by a strong communications component undertaken through mass media, local leaders and community members. At national and international levels as well, communication is an essential element in helping to create a groundswell of demand for progress in girls' education and a commitment to action to achieve it. The UNICEF-coordinated acceleration strategy includes a strong communications component ("25 by 2005") that seeks to create just such a groundswell.

Partnerships are key for shared success and sustainability in "scaling up." No programme to get girls into school and to keep them there has yet succeeded without strong partnerships among stakeholders at all levels. Everyone—governments, local authorities, school principals and teachers, parents and pupils as well as international agencies, NGOs and bilaterals—all need to work together if gender disparities and urban/rural inequities in education are to be eliminated. Strengthened partnerships are essential if successful interventions are to be scaled up and mainstreamed and rendered sustainable in the long-term. A key element of UNICEF's acceleration strategy is to intensify partnerships at all stages and levels, coordinating with others to support girls' education through a scaling up of practical, small-scale approaches.

UNICEF is working with partners to ensure that elements of this strategy are included in education sector plans as well as in broader development plans such as PRSPs and through the Fast Track Initiative led by the World Bank.

Girls' Education/Primary Education in Rural Areas: FAWE Work and Experiences⁹⁵

by Hon. Ruth N. Kavuma, Chairperson of the Forum for African Women Educationalists

The Forum for African Women Educationalists (FAWE) is a pan-African NGO founded in 1992 with headquarters in Kenya. It is a membership organization comprised of senior women policy makers in education including cabinet ministers and vice chancellors. FAWE has 33 national chapters. Its goal is to offer mutual support, assistance, and collaboration in developing national capability to accelerate the participation of girls in education at all levels in line with the EFA goals.

FAWE works at continental, national and local levels, together with its partners, to create positive societal attitudes, policies and practices that promote equity for girls in terms of access, retention, performance, and quality. FAWE works very closely with Ministries responsible for education and takes part in interventions on the ground. It encourages replication and mainstreaming of best practices into broader national education policy, in order to transform the educational systems in Africa.

FAWE has made grass root interventions, tailored to different countries and local communities, in the form of direct assistance, lobbying, and advocacy. In Uganda, Rwanda, Tanzania, Ethiopia and Togo, Liberia, Sierra Leone, and other countries, FAWE identified girls who might be prevented from attending school because of household poverty. The parents of these girls would rather send the boys to school and keep the girls home to help with household work. In some cases, the girls might be married off early, for money. FAWE is coordinating the distribution of bursaries to assist these girls so they can attend school to at least the "O" level. In Uganda, 260 girls have been assisted.

Lobbying and advocacy has likewise improved the lives of many girls. In Ghana, for instance, where there is a very low marriage age because of families' desire for dowry money, FAWE is working with community chiefs and elders to make reforms. Similarly, in Kenya, FAWE established the Kenya Kajiado Centre of Excellence in a Masai area, where the girls are married off for cattle. Through this centre, FAWE has helped Masai leaders learn to appre-

⁹⁵ From ECOSOC ministerial roundtable, "Primary Education and Girls' Education in Rural Areas," hosted by UNICEF, 30 April 2003.

ciate the need for girls' education. The school also takes in those girls who have been married but have managed to escape from their husbands and are eager for education.

In Gambia, FAWÉ has started Mothers' Clubs to help married girls come together for companionship, education, and productive work.

Working for Girl-Friendly Schools

Within pre-existing schools, FAWÉ has worked, in partnership with UNICEF and others, to improve the educational environment. It has worked to improve sanitary facilities for girls, gender sensitivity of teachers, and life-skills training. To address one particular type of inequity, Female Education in Mathematics and Science in Africa (FEMSA) was founded in 1995. When FEMSA disbanded, in 2001, its activities were integrated in FAWÉ activities at both regional and national levels. These activities include science clubs and camps, competitions, science fairs and media coverage of those fairs, field visits, science newsletters that feature women in the scientific fields, teacher capacity building programs, guidance and counseling services, improved instructional materials, and gender sensitization workshops.

In most rural areas, the schools are far away, and communities rarely get involved in school activities in a meaningful way. The Alliance for Community Action in Girls' Education had been working to change this, and when the organization closed in 2001, FAWÉ took over the task. In Uganda, for example, FAWÉ spearheaded the Kalangala Initiative, which works to build community appreciation for girls' education among the fisher folk. The program is successful, in part because FAWÉ is using a program called "Breakthrough to Literacy," which teaches children in mother tongues, and "Bridging the Rural Urban Gap," which explores new ways to overcome the unique obstacles faced by rural schools.

FAWÉ has tried to push for policies to address the causes for girls' failure to finish school. Pregnancy is one such cause. In Zambia, a re-entry policy for pregnant girls has been achieved, and in Uganda and Kenya, success is near. Programs aimed at specific problems like this are part of a more general goal: compulsory, universal education. Most countries have Universal Primary Education but not yet compulsory.⁹⁶

⁹⁶Uganda saw an increase from 2 million to 7 million children (1997 to 2001) enroll in primary schools, but many dropped out half way through the cycle.

It is important to focus on the successes as well as the failures. The Agathe Uwilingiyamana Award honours communities or individuals who work to improve girls' education. The FAWE Media Award for Media Excellency recognizes female journalists who excel in promoting girls' education. And the best girl at National Examinations is recognized and awarded prizes.

Sexual Education

FAWE is working with other groups like Straight Talk and Advance Africa to reach the girls in critical age groups to educate them about the risks of HIV/AIDS as well as the basics of sexual maturation and menstrual hygiene and management. This is mainly through workshops, club activities, and counseling. In most communities, menstruation is not talked about openly; this makes it a mystery and its management a problem. Many poor girls miss school during periods and end up not performing well. FAWE has worked on trying to improve sanitation in schools, provision of sanitary towels (as they are very expensive), and workshops for teachers and students to help them open up.

Girls' Education Movement (GEM)

GEM is a popular movement in Africa, in which young people work to promote education for girls. The specific objectives of the movement are to provide opportunities for girls to be subjects in their own education and to exercise their leadership and technical skills. The following eleven points of action were developed by African children and stakeholders:

- Allow girls space to participate actively in making decisions that concern them.
- Eradicate poverty by supporting measures to increase family and household incomes that will free girls from exploitative labour and allow them to be educated.
- Promote peace education programmes.
- Promote life skills and HIV/AIDS education in the curriculum by using integrated approaches and innovative channels.
- Abolish all harmful practices like early marriage, female genital mutilation, and drug abuse.
- Take affirmative action to promote girls in maths, science, and technology (SMT); and sensitise parents, communities, and educators to bridge the digital divide. Promote mentoring for girls in SMT.

- Make the teaching-learning process gender responsive in all learning environments including the family by restructuring the curriculum and training teachers on empowering teaching methodologies in all contexts.
- Provide friendly learning environments that are inclusive, affordable and accessible to all girls with special needs, including girls with various forms of disabilities, girls living and working in the streets, and girls who are refugees, internally displaced and orphaned.
- Increase education and health budgets.
- Advocate with governments and other partners for allocation of sufficient resources for quality girls' education and enactment of legislation to ensure education for all.

Population Issues, Reproductive Health, and the MDGs⁹⁷

The United Nations Secretary-General noted in his statement to the Fifth Asia and Pacific Population Conference held in Bangkok in December 2002 that: “The Millennium Development Goals, particularly the eradication of extreme poverty and hunger, cannot be achieved if questions of population and reproductive health are not squarely addressed. And this means stronger efforts to promote women’s rights and greater investment in education and health, including reproductive health and family planning.”

The goals and objectives of the International Conference on Population and Development (ICPD) map closely to the MDGs. Progressing towards the MDGs is critically dependent, *inter alia*, on making progress towards the ICPD goal of achieving universal access to quality reproductive health information and services. Increased access to reproductive health services, in turn, reduces child and maternal mortality, helps combat HIV/AIDS, promotes gender equality, reduces income-poverty, and augments efforts toward universal primary education and sustainable development.

Most of the world’s poor are women and girls, whose poverty is reinforced by legal and cultural practices. The gaps between female and male access to assets, education, health services, and influence within decision-making processes are obstacles to sustainable development. Income poverty is highly correlated with hunger, ill health, low life expectancy, illiteracy, vulnerability, powerlessness, and gender inequality.

Many poor women, especially in rural areas, cannot make basic choices about whether and when to become pregnant. Currently 120 million couples who want to space the births of their children or stop having children are not using contraception. Adolescent girls and women often lack power to make decisions for themselves and lack access to good quality, affordable reproductive healthcare, including family planning services. In rural areas, the percentage of births assisted by a skilled attendant and access to referral in case of major obstetric complications tend to be much lower than in urban areas.

⁹⁷ Based on issues paper and Ms. Thoraya Obaid’s summary of ECOSOC ministerial roundtable discussion, “Population and Reproductive Health in the Rural Context as Critical Determinants in the Achievement of MDG Targets,” hosted by UNFPA, 30 April 2003 and on issues paper for ECOSOC ministerial roundtable discussion, “Population Issues, MDGs, and Rural Development,” hosted by UNFPA, 1 July 2003.

Reproductive Health and MDGs

The right to development is fundamental, and the right to reproductive health is crucial for development. Reproductive ill-health undermines development by weakening and killing poor women of prime ages, disrupting and shortening the lives of their children, and placing heavy financial and social burdens on families. Only with adequate reproductive health services will progress be made toward fulfilling the MDG goals on maternal mortality, empowerment for women, and HIV/AIDS reduction.

The MDGs must not simply be a set of static indicators for monitoring. To be dynamic, they must be approached with an extensive set of tools, including donor scorecards, the active engagement of governments and international organizations, and the necessary financial resources to ensure that proposed interventions can be implemented. Regular and reliable data must be provided to allow governments to make informed decisions and allocate resources for services and programmes. We must work to secure increased financial support from donor countries so that improved reproductive health, slow population growth, and reduced poverty can become a reality.

Making Pregnancy Safer in Rural Areas⁹⁸

by Dr Tomris Türmen, Executive Director, Family and Community Health, WHO

In the past thirty years we have lived through one of the most important social, economic, and demographic changes ever — the move of populations from rural to urban areas. In 1950, there were twice as many people living in the countryside than in towns. By the year 2000, the proportions were roughly equal. By the year 2030, it is estimated that, globally, 60% of the world's people will be living in urban areas. Even in Africa and Asia, more people will live in urban than rural areas by 2030.

Demographers cite many reasons for these important population movements. Some are positive “pull” factors such as the perceived wealth of the city, increased employment and educational opportunities. Others are more negative. The “push” factors include rural economic decline; changes in agricultural practices; and scarcity of economic, educational, and sociocultural resources. Against the backdrop of this dramatic migration from the countryside into towns, cities and urban slums, it is easy to forget that more than 3 billion people continue to live in rural areas.

The MDGs provide us with a unique opportunity to fight poverty in rural areas and to reduce the risk rural women face every day from pregnancy and childbirth. The MDGs are crucial because they set targets and establish timelines. Although globally, progress is measured at the national level, it will also be important to establish how it is being shared among men and women, rich and poor, urban and rural populations. The MDGs can help measure the impact of our actions on the basis of equity, population dynamics, reproductive health, and safe motherhood.

The data available on determinants of health such as access to water and sanitation, income, nutrition, education and use of health care services paint a gloomy picture. Rural women tend to have more children, are less likely to be using family planning, more likely to have children while they are still in their teens, and less likely to use the formal health care system during pregnancy and childbirth. Rural women are also disadvantaged in terms of nutrition, tending to have higher levels of anaemia than women living in towns. On the other

⁹⁸ From ECOSOC ministerial roundtable discussion, “Population and Reproductive Health in the Rural Context as Critical Determinants in the Achievement of MDG targets,” hosted by UNFPA, 30 April 2003.

hand, rural women continue breastfeeding their infants longer than women living in towns—a rare example of a differential that favours rural areas.

In Bolivia, to take a specific country example, urban women are five times more likely than their rural counterparts to complete mid-level education. Women in rural areas of Bolivia tend to have their first child younger, to have more children (an average of 6.4 children per woman in rural areas compared with 3.3 in urban areas) and to have an unmet need for family planning.

In India, under-5 mortality rates are higher in rural than in urban areas across all income groups, even the richest groups of the population. In Indonesia, among the poorest 20% of the population in urban areas, nearly half have a medically trained provider at delivery compared with only 20% of the poorest rural women.

In countries as diverse as Zimbabwe, Tunisia and Ecuador, women living in rural areas have to travel greater distances to reach health care facilities. For example, the median distance to a health facility for women in rural Zimbabwe is over 5 kilometres compared with 1 kilometre in urban areas. And even when facilities are accessible, the range of services offered is limited. For example, in South Africa, 77% of urban clinics offer HIV testing and counseling, while only 33% of rural clinics do so. And termination of pregnancy is available in nearly half of urban clinics compared with only 15% of rural ones. Yet the expressed needs of women in rural areas are as great as if not greater than in urban areas. In a study in China, almost half of women living in rural areas reported signs and symptoms of reproductive tract infections compared with around one third of women living in the towns.

In all the countries for which we have data, fertility is higher and contraceptive use lower in rural areas than in urban areas. Urban-rural differentials in contraceptive use are marked. For example, less than 4% of women in rural Nigeria use a contraceptive method compared to nearly 15% in urban Nigeria. In Morocco where contraceptive use is relatively high, 30% of women in rural areas use contraception compared to over 50% in urban areas. In Peru, 41% of women in rural areas use contraception compared to 66% in urban areas.

Across all developing regions, rural women are less likely to have antenatal and delivery care than those living in urban areas. Women living in urban areas are twice as likely as rural women to report several antenatal care visits and this is true in all developing regions. Similarly, women living in urban areas make more use of skilled health care workers, particularly doctors, to assist them during delivery.

A particularly striking differential between urban and rural areas is in access to lifesaving surgical procedures such as caesarean delivery for obstructed labour. Whereas caesarean deliveries are common, perhaps too common, in urban areas all over the world, in rural areas rates are very low: 5% or less in South-Central Asia, South-East Asia and Sub-Saharan Africa. Whereas some urban women may be delivering by caesarean section for reasons that are unrelated to maternal health or survival, in rural areas it is likely that many women suffering from eclampsia or obstructed labour do not get the care they need. Uncounted thousands of women and infants die each year because women cannot reach the skilled care they need in time. Those who survive may suffer from the distressing and debilitating consequences of obstetric fistula.

There is very little data on levels of maternal mortality and other health outcomes in rural and urban areas. In many developing countries, the kinds of information sources needed to establish with precision the mortality, morbidity, and burden of disease are not available. And this lack of information is particularly acute in rural areas. Thus, whereas vital registration systems that collect basic information on births and deaths function in many urban centres, they are less likely to be used systematically in rural areas. A critical challenge that we face in making pregnancy safer in rural areas is the absence of basic information upon which to base health decision-making. There is a need to find ways of improving data availability in rural areas, working through communities, local authorities, health information managers, and statistical offices as appropriate.

An example of the kind of information system that can be established even in resource-constrained settings is in Tanzania, where a national sentinel surveillance system has been established to monitor cause-specific mortality in three districts, two rural and one urban (the capital city). The Adult Morbidity and Mortality Project (ANMP) is run by the Ministry of Health and provides, on an ongoing basis, valuable information on health and mortality among children and adults as well as on key parameters of the population such as use of services, educational level and wealth. Given the amount of information that it generates, and the value of this information in helping determine national priorities, the project is considered highly cost-effective.

The ANMP project is one of the few sources of information that enables comparisons of levels of maternal mortality between urban and rural areas. Interestingly, and perhaps counter to expectations, maternal mortality was found to be highest in one of the rural areas and lowest in the other rural area with the urban area falling between the two. The important differences between the two

rural areas was that one was made up primarily of subsistence farmers and educational levels were generally very low whereas the other had a cash-based economy, considerably higher levels of education, and much greater health service availability. This result illustrates an important factor that we need to bear in mind, namely that adverse health outcomes in rural areas are not inevitable and immutable but depend on contextual factors such as education, income and service availability. These are things that can be improved, and the health sector has a particular responsibility with regard to service provision.

The experiences of countries that have succeeded in reducing maternal mortality in recent years are instructive. In Thailand, for example, maternal mortality fell in line with the increasing availability of skilled health care workers, many of whom were specifically posted to rural areas. During the early 1980s, the government targeted rural areas by establishing small, community-based health centres and hospitals with the skilled personnel, drugs, equipment, and supplies to perform essential life-saving care. Maternal mortality in Thailand is today among the lowest in the developing world. A similar pattern was followed in Sri Lanka and Malaysia.

The Way Forward

Within the area of safe motherhood, there are some specific actions that governments need to take. First, there is a broad measure of agreement that professionalization of maternity care is critical. Different countries have adopted different strategies for doing so at different stages in their development, but all have recognized that a key to success lies in ensuring that services are accessible in both rural and urban areas and that the quality of care is of an acceptable technical and interpersonal quality. Such services must include management of obstetric complications as well as care for normal, uncomplicated pregnancies and deliveries.

Countries need to invest in infrastructure and human capital, in particular in professional skilled health care providers who are appropriately trained and supported. Incentives such as additional rural allowances, staff housing, and career enhancement programs may help attract qualified health care workers to underserved rural areas. Governments must establish appropriate standards and norms for maternity care provision and ensure that they are incorporated into policy, planning, and management strategies throughout the health system. It is crucial to develop an appropriate supportive supervision, logistical support, and a functioning referral system to deal with obstetric and neonatal

complications. States must also work to provide an enabling legislative environment within which the health system can operate.

Of course, it is no good having services available if women and families are not motivated or empowered to use them. Women will not use services if they cannot afford them. The Bolivia Basic Health Insurance scheme aims to ensure that no woman is unable to access the care she needs during pregnancy and childbirth because of cost considerations. This scheme is beginning to show remarkable results in terms of increased use of services, including in remote rural areas.

But addressing cost and other barriers such as distance is not enough. Women and families need to want to use the services available. Creating demand is a challenge in many rural areas, in part because of lack of education but also because of perceived social, cultural, and quality-of-care factors. In Bolivia, the Ministry of Health has established Committees for the Analysis of Information, which bring together health personnel, community leaders, representatives of community-based organizations, and community health workers to analyze health information and make decisions. This dialogue provides the basis for developing community action plans, promoting care at the family and community level, and strengthening linkages and communications between the health sector and the community.

The challenge of making health information and services accessible to people living in rural areas is large but not insurmountable. Examples of good practice exist. What is lacking is often simply the political will. It is all too easy for governments to ignore the needs of people in rural areas, in part because so many of the people who live in rural areas are poor. Governments are based in urban areas and city dwellers have ways of making their voices heard that are not open to the rural poor. Of course, not all the people living in the countryside are poor and not all the poor live in rural areas. Poverty and rural residence are enmeshed in complex ways. But the evidence shows increasingly that to be poor and live in a rural area is to be condemned to a life of particular hardship and limited choices. No government can afford to neglect the needs of such a large proportion of their people.

The Impact of HIV/AIDS on Rural Development⁹⁹

The HIV/AIDS epidemic has killed millions, shortened life expectancy, created orphans and changed history's course. It has implications for governance, security, trade, and agriculture into the foreseeable future. HIV/AIDS rates are highest in urban areas, but it would be a mistake to regard it as mainly an urban problem. It has been in the countryside in Africa for two decades; in Sub-Saharan Africa it has killed about 7 million agricultural workers to date, and this figure is expected to reach 26 million by 2020—26% of the total agricultural workforce. The disease is also already in rural China and India and will soon exceed 1 per cent of the adult population in the Russian Federation and Ukraine. The epidemic in all these countries will get worse and its effects will be seen within the next ten years.

In 2001, the Director-General of FAO, M. Jacques Diouf, said that: "The AIDS epidemic is contributing to an increase in the number of people who go to bed hungry every night." UN Secretary-General, Kofi Annan likewise reflected on the famine in Southern Africa, stating: "This crisis is different from past famines ... we must look beyond relief measures of the past. Merely shipping in food is not enough. Our effort will have to combine food assistance and new approaches to farming with treatment and prevention of AIDS." Acting on those words is the first and most general challenge faced by all who work in agriculture—from the farmers to the ministers.

The second challenge is to recognize that while Africa is by far the most affected continent, AIDS is not solely an African problem. Conditions exist in many regions that favour the rapid spread of the disease. The Caribbean is the second worst-affected region, and Eastern Europe and Central Asia have the world's fastest growing HIV/AIDS epidemic. In Asia as a whole, the epidemic is growing and the numbers already very large. Within ten years, India or China will likely be the nation with the largest number of HIV infected people—already in India there are 4 million people living with HIV and in China it has been estimated that without concerted action there will be 10 million new HIV infections over the course of this decade. HIV rates in parts of rural Cambodia and Thailand have been higher than in some urban areas; this trend has also been seen in Haiti and Guatemala.

⁹⁹ Based on issues paper and summary of ministerial roundtable, "The Impact of HIV/AIDS on Rural Development," hosted by UNAIDS, 2 July 2003

The impact of HIV/AIDS on food production, rural livelihoods and food security must be at the top of the agendas of Ministers of Agriculture and Rural Affairs in all affected countries, including so-called “low impact” countries. Agricultural and rural development policies and programmes can help improve access to HIV/AIDS prevention, care, and support, and can reduce socio-economic impact. In Africa, rural livelihoods have been suffering the slow progressive effects of HIV/AIDS for up to 20 years. In less affected regions, prompt actions in the agricultural sector can play a major role in preventing HIV. The message for all countries has to be loud and clear: if the worst effects of AIDS epidemics on rural development such as those seen in Africa are not to be repeated, we must act now.

The Vicious Circle: Poverty and HIV Infection, HIV Infection and Poverty

Even without HIV/AIDS many countries in the world have not been increasing rural production. Consequently, feeding the poor is an enormous challenge, particularly for the least developed countries. While the “green revolution” in Asia and Latin America increased output, attempts to distribute that increase more equitably have not been entirely successful. In Africa, the problem of increased production has not been solved: between 40% and 50% of the population is undernourished. In contrast to other world regions, African food production per capita has fallen over the past 30 years, while calorie and protein intake remain at 1970 levels. Adverse weather conditions, inadequate policies, inappropriate governance, and unfair trade—the causes are intermixed. Across the world, HIV has arrived as a new and steadily growing burden on rural communities. Poverty reduces the ability of individuals and communities to cope with the impact of HIV/AIDS.

The first thing people ask for in AIDS-affected households is food. Food keeps people strong, and good nutrition is needed to complement treatment, if and when it is available. Widow- and child-headed households are increasing in number and are extremely vulnerable to food shortages.¹⁰⁰ The number of children orphaned by AIDS is likely to be the single most devastating humanitarian crisis—over 20 million children in Southern Africa are estimated to lose one or both parents to AIDS by 2010. The implications for society of so many children growing up without adequate adult supervision cannot be fathomed. In the recent southern African food crisis, and now in the horn of Africa, AIDS

¹⁰⁰ In Africa women account for about 80% of food production and 60% of those infected with HIV.

has weakened the social fabric so much that families are unable to cope with shocks such as droughts and require assistance much longer to rebound.

HIV/AIDS sickens and kills active adults, the group that is necessary for production and ensuring that vital agricultural knowledge is passed onto the next generation. Thus, HIV/AIDS is devastating from an economic as well as a humanitarian viewpoint. Rural areas have lower rates of HIV infection than urban areas, but the agricultural/rural sector is disproportionately affected by HIV/AIDS because it is labour intensive, seasonal, has large numbers of mobile or migratory workers, and often has conservative attitudes to women's economic autonomy and control over their sexuality. The epidemic destroys households, undermines communities' abilities to respond to stress, erodes their recovery capacity, and disrupts rural livelihoods by eating up savings, exhausting social capital, and severing key linkages in the production chain.

Poor people have to migrate, make do and mend; poor people have poor health; poor health and poverty expose people to more poor health, and where families are separated this makes them more vulnerable to HIV/AIDS. Already fragile rural livelihoods are made more fragile by illness and death. Rural development efforts must be viewed against this background. By increasing living standards, rural and agricultural development can contribute to relieving the poverty, inequality and need to migrate which exposes people, particularly women, to infection. Rural development, HIV/AIDS, and poverty must be addressed simultaneously.

What Can be Done

The HIV/AIDS epidemic alters the future of rural development. It alters the balance between "development" and "relief" work and amplifies rural poverty at household and community levels. It reduces rural productivity, sets in motion new and long-term impoverishment, and leads to appearance of unusual numbers of "rural destitute." Finally, it diminishes national human resource capacity in rural areas, killing extension workers, ministry personnel, and NGO workers.

But rural and agricultural development programs can also alter the future of the HIV/AIDS epidemic. Labour constraints in both subsistence and commercial sectors demand new thinking. Labour-saving technologies, for example, have their place in those communities where rural workforces are depleted, although they may inadvertently raise unemployment among the least qualified rural workers in other communities. New microcredit and income-generating opportunities are also useful, as are lighter agricultural tools that make it

easier for women and children to cultivate land. However, the experience with all these initiatives suggests they only work when the right environment has been prepared, with the needed policy settings, demographic changes, shifts in people's expectations, and gender relations. Too often, new technologies are proposed without the involvement of appropriate stakeholders at community level.

The best and most talented people from government, civil society, and communities must work together to confront the problems. The support they need from donors must similarly engage all stakeholders, be sensitive to local contexts, and sustained over the long term. More integrated approaches are needed. Too often AIDS programming is pursued as a series of small scale project interventions rather than as a strategic, comprehensive programme. To be successful, long-term, systemic reforms must be combined with short-term solutions such as food relief.

Governments, especially Ministries of Agriculture and Rural Development, in collaboration with Ministries of Health, must be urged to integrate HIV/AIDS prevention, care treatment, and support into development planning, including in national budget allocations and sector development plans. The policies and programmes must be comprehensive and address the underlying factors which increase vulnerability to HIV infection and to the conditions of poverty including economic insecurity, gender inequality, lack of education and information, and food insecurity. Rural communities also need enhanced reproductive health care services, including greater openness around sexuality and AIDS.

The critical link between HIV/AIDS and rural development presents key challenges for national governments and the international community. It is now clear that stand-alone policies and single interventions are insufficient in themselves to address HIV/AIDS and eradicate poverty. Evidence suggests that rural development efforts must be viewed through the lens of HIV/AIDS with the goal of reversing the AIDS epidemic and sustaining rural development. Likewise, HIV/AIDS efforts must also consider the root causes and consequences of poverty.

Gender Dimensions of HIV/AIDS: A Key Challenge to Rural Development¹⁰¹

by Dr. Nafis Sadik, Special Envoy of the UN Secretary-General on HIV/AIDS in Asia

Governments and the international community have often failed to recognize the importance of women's role in society. Perhaps this is because in many rural societies women do not take a visible part in public life or the economy. But women's social and political involvement will be essential to ending extreme poverty in rural areas, and this involvement hinges on their empowerment, which, in turn, depends crucially on health, including reproductive health and their ability to protect themselves against HIV/AIDS.

Obstacles: Tradition and Assumptions

The first obstacle is the basic assumption that poverty and inequality are inevitable facts of life for women. Policy and practice often still assume that rural women's role is pregnancy, childbirth, housekeeping, and bringing up the children. This is problematic when accompanied by the assumption that women need no special help in this role. They receive little support for their work or their health. Despite long experience, childbirth is assumed to be part of a woman's daily life, calling for no special care. One consequence is that half a million women die of pregnancy-related causes every year, and many times that number suffer infection or injury.

Women and girls in poverty already run heightened risks from unwanted pregnancy and complications at childbirth. Their weaker health status means that they are also more vulnerable to malaria and TB, which in turn can make them more vulnerable to HIV/AIDS. In the age of HIV/AIDS, this neglect of women's needs takes on a new and doubly threatening dimension. In many parts of the world, social norms dictate that rural women have very little power to make their own decisions on sexual contact. Custom denies women, even wives, the power to negotiate their own protection. The majority of married women who have the infection have had no other partner than their husbands. Men seek out younger women, virgins who will not infect them, or who they believe will actually cure them. Of course it is the men who infect the girls. In some urban areas in Africa, young women are five to six times more likely to

¹⁰¹ From ECOSOC ministerial roundtable discussion, "Economics and Rights: Interconnections in the Context of HIV/AIDS and Feminized Poverty," hosted by UNIFEM, 30 April 2003.

be infected than young men their own age. Infected girls pass HIV/AIDS on to men, who go home and infect their wives.

The neglect of rural women extends into all areas of their lives. Despite laws and constitutions mandating equality between the sexes, we still find that women's security of tenure on the land they work can be very tenuous. Custom often dictates that inheritance passes to the husband's family on his death, and in rural areas, custom still trumps the law. As HIV/AIDS devastates rural areas, an increasing number of widows find themselves destitute.

There is an additional irony, in that the male inheritor might normally expect by custom to marry his brother or cousin's widow, in effect acquiring her as well as her land. In the age of HIV/AIDS, he may agree to marry, and pass the infection on to a healthy woman. Or, if her husband is thought to have died of HIV/AIDS, she may be blamed for infecting him.

Women lucky enough to maintain their hold on their land may find themselves shouldering a double or triple burden. They are heads of household, the main provider of food, water and other necessities, and the care-givers for family members sicker than themselves.

In the worst-affected countries, because of migration and adult deaths from HIV/AIDS, there are now too few able-bodied women to sustain rural services and maintain food production. Rural communities are reduced to old people, young children, and the sick. They can barely grow or find food to support themselves. Women who may be sick themselves must bear the additional burden of taking care of family members who return home when AIDS symptoms reveal themselves. The significance of women's contribution to rural society is becoming all too clear, now that the women are missing. But still we find that HIV/AIDS alleviation efforts are concentrated in the urban areas.

Obstacles: Opportunity and Risk

The second set of obstacles to the empowerment and involvement of women is concerned with the process of change. The impact of globalization is sweeping through all countries and transforming rural society. Changing attitudes and circumstances offer many opportunities for women. But change means risk as well as opportunity. Young women who leave rural areas to escape poverty may be lured into prostitution or sexual slavery, which carry a heightened risk of violence or HIV/AIDS infection. The secrecy and shame surrounding HIV/AIDS, together with myths about sexual education and condoms, mean that migrant women, young women especially, often do not have the information and the services to protect themselves from infection.

Staying in their villages does not protect rural women from risk. Men migrate in search of work and often bring the infection back with them. In some rural areas—Mozambique is a good example—incidence of HIV infection is as high as in the cities.

Male migration has created other problems for rural women. The number of female-headed rural households is rising in all regions. Their position is insecure—if men fail to find work or stop sending remittances, rural families can easily slide into poverty, or from poverty into destitution. It is often extreme poverty that impels women to take risks with their lives and health through commercial sex.

Some Bright Spots

Empowering women is one of the essential defenses against HIV infection. In this regard, despite the pandemic, there are many signs of hope in rural societies. Women's social and political participation is increasing. They have a wider range of economic options than previous generations. Women are becoming more assertive, and more leaders in government and civil society are supporting their efforts. Initiatives such as the microcredit movement are encouraging women to use their intelligence and initiative. Women's literacy has been rising and unwanted fertility is falling.

Over 60% of women in developing countries now have access to reproductive healthcare. Women are rejecting the culture of gender-based violence, forcing not merely legal change but changes in practice. Traditional customs such as female genital mutilation are now outlawed in many countries. There are signs in many countries that men are responding positively, understanding that women's empowerment benefits everyone.

Increasing visibility for women's issues, acceptance of their rights and understanding of their needs have been encouraged by the international discussions on gender issues. The MDGs put individual women and the choices they make at the centre of development. An essential element is the right to reproductive health, and commentators on the MDGs, including the Secretary-General and his economic adviser Jeffrey Sachs, have placed gender equality and reproductive health firmly in the context of national and international development efforts.

The HIV/AIDS pandemic threatens all these positive changes. But we know that with positive, decisive action, countries can roll back new infections. In Uganda, for example, President Museveni has made it a priority to open the discussion about the pandemic and how to stop it, and to provide the informa-

tion and services people need, through the national reproductive health system. The result is a sharp fall in new infections.

Other countries such as Thailand and Cambodia have also taken decisive action. Cambodia's epidemic appears to be stabilizing, thanks to sustained prevention programmes that link government and civil society and that span various sectors of society, with close attention to women.

Rural women still suffer in poverty and powerlessness. The HIV/AIDS pandemic sets up another obstacle to their strength and courage. But the possibility of beneficial change is real, and millions of rural women are taking advantage of it. The international community, national governments, and civil society must integrate women's struggle with the struggle towards the MDGs. Women can defeat their poverty, and help to defeat the pandemic, if we help them.

Tools, Approaches and the Role of Actors in Africare's Rural Development Activities¹⁰²

by Judy C. Bryson, Senior Technical Advisor, Food Security

There is an old truism: "Give a man a fish, you feed him for a day; teach a man to fish, you feed him for a lifetime." While the spirit of the saying is clear, it oversimplifies the situation. For one thing, food assistance can have positive development effects. For another, the gender assumptions—it is a man who is fishing—misrepresent reality. The phrase also ignores the vital environmental assessment to prevent over-fishing.

A more integrated approach is needed. Provide a man a food for work ration while he builds a fishpond. Involve his wife in a credit with education program including business and nutrition training. Together they can create a business that provides a better way of life for their entire family.

This is somewhat light-hearted, but the fact remains that we must find dynamic ways to address the problems of hunger, poverty and disease, or we will have only limited success in achieving the MDGs. As it is, we face a very steep climb to move from the annual reduction of 6 million hungry people in the period 1991-1998 to the reduction by 22 million per year in the period 2001-2015. This rate of improvement is needed if the goal of cutting hunger in half is to be achieved. This is particularly true in Africa, where the HIV/AIDS pandemic is decimating the adult labor force while simultaneously increasing the costs and burdens of caring for those living with the disease. We must identify the approaches that are most successful in enhancing the capacity and resources that the populations already possess.

Africare was founded in 1970, and since then, its programs have transferred \$400 million to Africans, primarily for rural development programs. Budgets in recent years average \$35 million. Africare was founded by African-Americans and Africans; currently more than 90% of Africare's staff is African, serving in 26 countries on the continent.

Africa is facing many challenges. HIV/AIDS is exacting a severe toll, and children remain prey to illness and mortality from diseases largely conquered in much of the rest of the world. Hunger is a daily reality for many; at present 25% of the 800 million undernourished people live in Africa. This

¹⁰² From the ECOSOC brainstorming session on 24 March 2003.

situation is worsened by HIV/AIDS, which is decimating the labor supply and increasing the costs and burdens of caring for the increasing number of persons living with the disease. The vast numbers of people currently at risk of starvation in Southern Africa and the Horn is due partly to weather, but the situation is drastically worsened by the large number of adults who have been lost to or weakened by HIV/AIDS. With improved diets, especially protein and micro-nutrients, people with the disease could live longer healthier lives and have the strength to take anti-AIDS drugs as they become available.

It is important to begin with a diagnosis of the situation in each area as conditions vary within and between countries. This Food Security/Food Insecurity Framework is a model that can help to identify the most important factors creating problems in any given situation. Such models are available for many of the areas included in the MDGs. As data on the different risks are filled in, it is possible to begin to set priorities.

One of Africare's priority programs is Community Capacity Enhancement, which recognizes that substantial capacity and resources already exist within communities. Africare encourages these local groups to take leadership roles and supports them with several initiatives, including Participatory Rural Appraisal and Learning Exercises (PRAL), anthropometric measures of children, focus groups, and quantitative surveys. One of the most powerful exercises used by Africare is the Food Security Mapping Exercise, which identifies the percentages of food secure, food insecure and severely food insecure in a given community. Once the community has identified the percentages in each group, a calendar is established which identifies how many months each group eats until they have satisfied their hunger, how many months they spend with limited restriction of consumption (transition), how many months must they restrict or severely restrict their consumption.

When such exercises are carried out, a question invariably arises from the community: What can be done to change the situation? Here, Africare works to strengthen the existing community organizational structures and encourages the training of volunteers in providing services to the rest of the community. The volunteers form the backbone of Africare's work at the community level.

Food security results from food availability, food access, and food utilization. Africare has learned that we must address all three if food security is to be assured. There is considerable evidence that agricultural productivity on its own does not result in improved nutritional status of children, at least in the near term.

At the same time, long-term progress requires increased agricultural productivity. Africare's field staff is heavily weighted to extension agents and technical staff, and they develop relationships with Ministries of Agriculture and national and international research institutes to identify productive technologies and improved practices to address the problems identified by communities. Farm Field Schools and other techniques such as demonstration fields or demonstration livestock herds are used to introduce these technologies to the communities. Possibilities for sustainability are increased by efforts such as that in Uganda where climbing bean seeds developed by the National Agricultural Research Organization were introduced. Local farmers with the capacity to multiply seeds were also identified. Several of these have achieved certification by the Uganda Seed Growers Association and are now providing the improved seeds to their neighbors.

Volunteers also work in programs to address malnutrition, health problems, and HIV/AIDS. These volunteers may learn how to carry out village-based growth monitoring of children, as well as nutritional messages on improved breast feeding and weaning practices. In establishing these activities, Africare uses traditional methods of communication such as theater troupes, story telling, and singing. For example, the songs created by village nutrition volunteers in Guinea provide explicit information on putting the child to the breast immediately after birth, exclusive breast feeding to six months, and the foods to be added month by month as the baby is weaned. These songs are sung in the villages for all to hear—grandmothers, husbands, mothers, and young boys and girls.

Wherever Africare works, it does so at the invitation of the host government, and close relationships are established with government ministries at the national and local levels. Involvement of government officials in the training of village volunteers assures their support and participation. One example of Africare-government cooperation is the "Hearth" program, in which data from growth-monitoring programs are used to identify moderately malnourished children and a program is established to recuperate these children. The mothers of the children learn how to feed them, thus promoting their continued good health. The Ministry of Health oversees the effort and often provides resources such as de-worming tablets and Vitamin A doses that increase the effectiveness of the activities.

In addition to other programs Africare is carrying out in the area of HIV/AIDS, the organization has recently established an HIV/AIDS Service Corps. It is modeled on the United States Peace Corps and is made up of Africans who

want to make a difference in addressing the pandemic that is devastating their continent. A stipend of \$50 per month is provided and materials to assist in their work of HIV/AIDS awareness, prevention and care.

The impact of all these efforts, using the community capacity strengthening approach, is most heartening and provides hope for continued progress.

Priorities of Rural Women for the Achievement of the Millennium Development Goals¹⁰³

by Noeleen Heyzer, Executive Director, UNIFEM

With three-quarters of the world's poor living in rural areas, and more than 60% of them being women, the achievement of the MDGs cannot be realized without paying focused attention to the needs of rural women. The reality is that despite enormous efforts, commitments, and progress made in the past decades, formidable challenges remain. In the Fourth World Conference for Women held in Beijing more than eight years ago, governments and international organizations pledged to promote women's economic empowerment; address causes of poverty through changes in economic structures; and ensure equal access for all women to productive resources, opportunities and public services. Today, these priorities are reiterated in the MDGs.

In developing countries, women and girls play a significant role both in market-related agricultural production and non-market provision of social goods and services. Traditionally, women have dominated food production in many developing countries. Women produce between 60% and 80% of the food in most developing countries, with some variation from region to region. In South East Asia, women provide up to 90% of labour in rice cultivation. In Pakistan 80% of livestock is managed by women.

In Kenya women make up 75-89% of the agricultural labour force, and in Tanzania, women are 80% of unpaid family labour in agriculture. Of course, a comprehensive understanding of women's economic contribution must consider women's unpaid care work in the reproductive sphere.

Two areas critical to the eradication of rural poverty and hunger: the fight against HIV/AIDS and the implementation of gender-responsive economic policy frameworks. These two issues demonstrate the multilayered nature of rural development challenges.

HIV/AIDS

Of the 29.4 million people in sub-Saharan Africa living with HIV/AIDS, ages 15 to 49, 17 million are women. Of the 8.6 million in the 15 to 24 age group, 67% are young women and girls. Even when women are not infected, they are primarily responsible for caring for those who are sick or dying of

¹⁰³ From the ECOSOC brainstorming session on 24 March 2003.

HIV/AIDS and preparing for and paying for the burials. The amount of time that this care work entails leaves little time for farming and food preparation, which seriously threatens the food security of the family and community.

As a result of the extra burden of care and support for those infected and sick, women often resort to coping strategies that include selling assets and moving away from productive agricultural work. In Uganda from 1980 to 1989, due to a labour shortage, there was a decrease in cultivated land area, reduced range and quantity of cash crops and food crops, lower quality household diet, and increased pest spreading. Similar trends were found in Zimbabwe and Malawi, Zambia and Mozambique. The growing food insecurity at the national level can thus be tied to the increased prevalence of HIV/AIDS.

A recent report by the Special Envoy of the Secretary-General for Humanitarian Needs in Southern Africa and the Special Envoy for HIV/AIDS in Africa maintained that "HIV/AIDS is the most fundamental underlying cause of the southern African (food) crisis. Combined with food shortages and chronic poverty, HIV/AIDS becomes even more deadly. The link between food security and HIV/AIDS must be fully recognized in all government, United Nations international and NGO efforts to address food emergencies and in their support of HIV/AIDS affected populations."

Echoing this report, UNIFEM is now calling for improved access to drugs and information, investment in prevention, and provision of support mechanisms for women's care work in relation to HIV/AIDS.

Poverty Reduction Frameworks

With the feminization of poverty, especially in rural areas, poor rural women should be at the centre of poverty reduction policy frameworks adopted by governments. In recent years, several policy frameworks have been introduced by the World Bank and IMF to developing countries as tools to promote economic growth and human development by coordinating lending and financing and setting out coherent macroeconomic structural and social reforms focused on reducing poverty. These frameworks include several lending instruments as well as the Comprehensive Development Frameworks (CDF) and the Poverty Reduction Strategy Papers (PRSPs). Among these frameworks, the PRSP is the most transparent and participatory process, where clear guidelines for participation and integration of gender have been elaborately introduced by the World Bank.

The World Bank PRSP Source Book, published in 2000, has provided clear guidelines for the integration of gender into the PRSP process, poverty

diagnosis, priority setting, and monitoring and evaluation. However, experience so far has shown that these frameworks approach women as vulnerable groups rather than as agents of development. They focus specifically on education and health rather than looking at structural causes of women's poverty, such as biases in macroeconomic, production, and labour policies. They do not monitor the ways that macroeconomic policies impact men and women differently, how gender equality could be at risk in situations where economic indicators are successful, or how pro-poor growth can be achieved.

Policy makers need to question what happens to the rural poor when certain macroeconomic policies are introduced. How do trade liberalization and privatization of social services improve people's lives and address poverty? How do interest rates affect small women farmers, how do inflation rates affect people's standards of living and consumption patterns, and what types of employment opportunities or unemployment do they generate? In this regard, UNIFEM calls on policy makers and experts to carefully consider the intrinsic correlation between poverty reduction strategies and lending instruments that shape macroeconomic policies at the national level. UNIFEM would also like to call for the support of gender budgets initiatives efforts as important tools for gender responsive macroeconomic policies.

If governments do not guarantee women's right to own property and land, for instance, rural women risk losing their homes, land and other property due to discriminatory laws and customs. A recent report by Human Rights Watch documented cases of women who were denied their inheritance rights due to social norms and lack of legal protection. Insecure property rights can hinder agricultural production, cause food shortages, and exacerbate rural poverty.

CEDAW includes a clear provision requiring states to ensure that women have equal rights to ownership and management of property within marriage. These provisions need to be enforced.

Many countries lack policies that ensure that rural women—the primary managers of household water supply in developing societies—have access to water. On top of that, the increasing privatization of water resources places human development priorities and gender equality objectives at the mercy of market forces. Whatever its anticipated benefits, privatization has in a number of cases failed to deliver positive results.

The right to development is based on the right to participation for women and men. Political decentralization provides an opportunity to integrate rural women in the decision-making processes. A good example of this comes from

India, where a constitutional amendment to the Panchayat Raj System (local council system) stipulated that one-third of seats in local government should be reserved for women. This has resulted in increasing women's presence at all levels of political activity from 4%–5% to 25%–40% and giving women's priorities more attention at all decision-making levels. Rural women's participation requires the emergence of strong women's organizations that are effective in giving voice to rural women.

It is critical that women's participation extends to the economic policy-making processes such as the PRSPs and trade negotiations. CEDAW identifies two provisions to encourage participation—support of temporary special measures such as quotas and affirmative action and dismantling of discriminatory stereotypes and attitudes. These provisions should be integrated into poverty reduction strategies.

An effective approach to rural development requires development policies that address women's increasing vulnerability resulting from the spread of HIV/AIDS. Economic policy frameworks must include a development and rights dividend in order to properly respond to the needs of the poor, especially women. And the participation of rural women must be ensured at all levels.

■ Chapter 6

Culture and Work

*The Way People Live and Work*¹⁰⁴

An Overview

This chapter addresses a range of topics, all engaging in some way with the way people live and work in rural areas of the developing world and the importance of considering these cultural issues when planning for integrated development. After the introductory section, the chapter moves on to H.E. Dr. Inonge Mbikusit-Lewanika's examination of gender as an analytical tool in development strategies. From there, the chapter turns to considering ways to increase the productivity of rural work. Central to both the summary section and the essay by Gemma Adaba is the concept of *decent* labor and humane conditions as prerequisites to a productive workforce. Maria Elena Chavez's essay on cooperatives highlights the cultural and interrelational aspects of the coop model and thus serves as a valuable complement to the piece on agricultural cooperatives that appeared in Chapter 2.

The essay on the links between rural and urban areas provides a useful reminder that all of the plans for rural development will fall short if they do not take into account connections with urban centres. This piece discusses ways to improve the quality of life for the countless people living in slums, often as a result of migration from the countryside to the cities. Taking into consideration the difficulties for cities to integrate the marginalized population from the rural areas, it is essential to identify new mechanisms of cooperation between cities and the rural zones due to the permeability of the frontiers between the two.

The final section addresses the connections between poverty and crime, particularly the cultivation of illicit crops. It illustrates the absolute necessity of taking a holistic approach to development problems, one that includes cultural factors as well as social and economic ones.

¹⁰⁴ Based, in part, on the issues paper for ECOSOC ministerial roundtable discussion, "Role of Culture and Customs in Rural Development," hosted by UNESCO, 2 July 2003.

The phenomenon of globalization might appear to impose a certain uniformity in modes of behaviour and life styles, and the temptation might be to try and solve the world's problems with one-size-fits-all solutions. The United Nations, as an international organization, by necessity develops resolutions and generalized goals to serve as guideposts for its work. These guideposts—like the MDGs—are invaluable. However, the implementation of the targets must be tailored to each individual country, taking into account local cultures and traditions. This “cultural approach” to development accepts the diversity of existing cultures, without prejudice or pre-conceptions.

The cultural dimension of development is a key factor in the success of developmental undertakings both in urban and rural areas.¹⁰⁵ To achieve sustainable development, plans must include analysis of the prevailing socio-cultural values, including customs and traditions, economic structures and work patterns, and historical inheritance. Models of family norms and gender relations are also central. Gender issues provide an example of the challenges raised by this approach—how do we approach communities in which women have traditionally been kept on the margin, deprived of education, reproductive healthcare and other social services, and barred from productive economic activities? The complexity of the issue stems from the fact that culture, while playing an important role in facilitating change, could also act as a hindering factor if it is overlooked or discarded. To avoid cultural resistance to change, planners need to carefully define the criteria by which the populations identify their own needs in matters of development.

¹⁰⁵ Since its 41st session in 1986, the General Assembly has periodically examined culture and development on the basis of reports presented by the Director-General of UNESCO. At its last session, for example, the Assembly, in Resolution 57/249, invited Member States and organizations of the United Nations to, *inter alia*, ensure, in cooperation with UNESCO, the implementation of the Action Plan pertaining to the Universal Declaration on Cultural Diversity and to assess the interconnections between culture and development and the elimination of poverty in the context of the First United Nations Decade for the Eradication of Poverty (1997-2006).

Gender as an Analytical Tool in Economic Policies and Poverty Frameworks¹⁰⁶

by H.E. Dr. Inonge Mbikusita-Lewanika, Republic of Zambia

Remarkable changes have been made since the first World Conference on Women in Mexico, in 1975. Women are more involved in government and decision making than ever before. The Southern African Development Community (SADC) has a Regional Gender Policy signed by fourteen heads of state that moved the bench-mark from 30% to 50% female representation and participation in decision-making by the year 2005. Women Members of Parliament and Cabinet Ministers are holding portfolios such as Land, Labour, Local Government, Finance, and Foreign Affairs, which in years past were male-dominated domains. Two countries have Deputy Ministers of Defence. Zambia has this past year broken several records by having five female Cabinet Ministers, the first female Clerk of the National Assembly of Parliament, the first female Chairperson of the Anti-Corruption Commission, and the first female Secretary to the Treasury. Many government ministries have Gender Desk Officers with a Gender in Development Division at Permanent Secretary level in the Cabinet Office, Office of the President.

Yet, in spite of all these advances, women, youth, girls, and rural folks continue to be marginalized and left out of decision making in their own lives. So, while involving women in government is a vital part of improving the quality of life for all women, governments must also consider gender as an analytical concept and organizing principle. The concept of gender provides a lens through which all aspects of policy and governance can be viewed. It focuses on women's roles and responsibilities; the ways women and men interact; and the assumptions, cultural pressures, and social constructions that shape people's lives.

In the economic context, these constructions are manifested in income disparities between women and men. In addition, the socially and culturally ascribed gender roles have contributed to high poverty levels among women. In much of the developing world, women have limited access to, and control of, productive resources, and this renders them more vulnerable to poverty.

¹⁰⁶ From ECOSOC ministerial roundtable discussion, "Economics and Rights: Interconnections in the Context of HIV/AIDS and Feminized Poverty," hosted by UNIFEM, 30 April 2003.

In Zambia, the Central Statistics Office (CSO) Living Conditions Survey of 1998 shows that the incidence of poverty by sex of household head showed that persons in female headed households (FHHs) were more likely to be extremely poor than those in male headed households (MHHs). 77% of all persons in FHHs were poor compared to 72% in MHHs. The situation had worsened from the mid-1980s as economic conditions deteriorated. The survey results confirm that poverty affects women and men differently, hence the terminology “feminization of poverty.” In terms of food poverty, the same survey showed that 61% of FHHs faced food shortage compared to 52% of MHHs. Moreover, FHHs more often have longer spells of food shortage.

Policy Measures and Strategies

Clearly, more than enough has been said, written, conferenced about, and work-shopped, on policies, frameworks, and engendering development. The task now is to put the proposals into effect. National gender policies should outline specific measures to address poverty and enhance access to various productive resources. The policies should ultimately aim to eliminate the gender imbalance that places a heavier burden of poverty on women at the household, community, and national levels. Objectives to redress the inequity should include the following:

- Enhancement of access to, and control of, employment opportunities, including those in the informal sector;
- Enactment and enforcement of laws that will remove barriers to the economic participation of women, particularly relating to property rights, asset holdings, inheritance laws, and credit policies;
- Formulating and implementing programmes that enhance women’s access to financial, technical, extension and marketing services, microenterprises, and traditional savings schemes;
- Improved attendance of girls and women in education and vocational training, to empower women as producers and consumers and to develop methodologies for training, research, and resource centres; and
- Making available basic functional literacy and life skill programmes for women and girls, including those that integrate women’s traditional knowledge and practices of sustainable resource use and management with modern environmental management and extension programmes.

Measures are needed to enhance the full participation of women (and men) at all levels of decision-making, which necessitates gender disaggregated in-

formation for well-targeted programmes and activities. Programmes may not be male biased by design but could well be male biased by omission of gender-differentiated assessment. Vital statistical systems are therefore needed to guarantee the availability of high quality, gender-sensitive data.

Comments

Zambia has recognized that the full participation of women and men in the development process is critical to achieving sustainable development. To remove gender imbalances, the government has set up an institutional structure to facilitate the mainstreaming of gender in national planning and programming. It consists of the Gender in Development Division at the Cabinet Office and Gender Focal Points in all ministries, specialized agencies, and provincial administration. The national gender policy addresses, among others, problems of poverty, coordination among various implementing actors, and harmonization and streamlining of gender in development activities.

Many countries have similarly committed themselves to gender equality and equity. Some have even allocated budgets to ensure both female and male participation in government, and gender budgeting is becoming household terminology. Some parliaments have gone as far as enacting and amending laws to ensure gender balance and representation.

Gender can provide a framework for action at all levels of society, but it takes personal commitment. Individuals who believe in the importance of gender equity, for instance, should consider living among the unconverted and spreading the word. In Zambia the Gender in Development Division has well-trained and qualified gender experts who circulate to various ministries, provinces, districts, capitals and villages. Discussions and meetings must be translated into local languages so that the majority of the people can participate. Contemporary and traditional media can be useful.

In addition, there are some positive models in traditional systems. For example, in some parts of Zambia, women traditionally held authority over not only household food but sometimes also over property and other resources. There were unwritten policies and frameworks to which all men, women, young and old adhered. Morality, spiritually, close family ties, child supervision, and more permanent sexual partners (even in polygamous marriages) would help curb the spread of HIV/AIDS.

Gender, as a conceptual framework, can open the door to broad-based, creative solutions to the challenges facing integrated rural development today.

Increasing the Productivity of Rural Work¹⁰⁷

In many countries today, poverty, unsafe working conditions and poor health all contribute to low labour productivity in agriculture and rural non-farm activities, which in turn perpetuates the cycle of rural poverty. Rural development depends on reversing this trend. Productivity growth and increased employment in agriculture and rural non-farm activities must be achieved simultaneously.

The rural worker, whether in the agricultural sector or in non-farm employment, faces a number of hurdles that can undermine his or her productivity and effectiveness. Incomes of small farmers or agricultural employees are often half those of urban workers, and they tend to fluctuate with the seasons, moving families from feast to famine in the course of a year. The prevalence of casual, temporary, and seasonal work underscores the precariousness of rural livelihoods. When rural workers do find employment, the conditions are often unhealthy and unfair, with less regulatory and government oversight than urban workplaces. The combination of extreme poverty and lack of oversight means that child labour is frighteningly prevalent—more so in agriculture than in any other sector.

Women are responsible for the bulk of food production in many countries, and yet in many cases their rights to own and inherit land, and to obtain credit and training, are severely restricted. These constraints undermine their food security and cut their labour productivity. Not surprisingly, they thus make up a large portion of the rural poor.

Women and men alike suffer from a lack of adequate healthcare, which further handicaps productivity. The absence of adequate care, and social safety nets, mean that illness, disability or death often plunges rural families deep into poverty. Efforts to raise agricultural productivity are also undermined by accident and injury rates that are among the highest in any sector.

Decent Work: A Human Right

Men and women cannot be effective and productive unless they are working in decent conditions. Employers must provide an environment of dignity

¹⁰⁷ Based on the issues paper and summary of ECOSOC ministerial roundtable discussion, "Increasing productivity of rural work," hosted by ILO, 30 April 2003, with input from the presentation of Gemma Adaba, International Confederation of Free Trade Unions, at the same conference.

where workers enjoy basic rights such as freedom of association, the right to form trade unions and cooperatives, and non-discrimination. The work must generate adequate incomes, offer protection against ill health, and provide for a comfortable living during old age. Jobs that pay a living wage to adults contribute substantively to the elimination of child labour. It goes without saying that forced labour cannot be tolerated.¹⁰⁸

Specific measures are needed to improve rural health services and safety records for rural labourers. Governments must invest in health infrastructure and human resources, to ensure that even those living in remote areas have access to care. Agricultural employers and workers, members of agricultural cooperatives, small farmers, and agricultural labour inspectors need to be trained in safe work practices and safety management systems, particularly with regard to machine safety, the handling and transport of materials, and the management of chemicals. The ILO's Safety and Health in Agriculture Convention, 2001 (No. 184) provides guidance to national governments, employers, and workers in this respect.

Increasing Productivity

Historically, it has been through the growth of agricultural productivity, the production of a surplus, and the transfer of human resources to other endeavours that human societies have grown and people's livelihoods have improved. So economies of most developing countries cannot grow sustainably, nor can adequate jobs be generated without initial investment in the rural sector. In countries where agriculture forms the backbone of the economy, a rural employment policy should form a central part of any national Poverty Reduction Strategy.

Also of key importance are employment policies that promote rural off-farm employment such as forestry, small-scale mining, agro-processing, health, education, and other services located in rural areas. These spur the development of small and medium enterprises, particularly in rural areas; orient investment toward employment-intensive rural infrastructure development; and ease the transition from a largely agrarian society to one based more on industry and commerce. The construction and maintenance of feeder roads, for ex-

¹⁰⁸ Ratification of the ILO Declaration on Fundamental Principles and Rights at Work, ILO Convention 110 (the Plantation Convention), ILO Convention 141 on Rural Workers' Organizations, and ILO Convention 184 on Safety and Health in Agriculture would all help progress toward the target of decent work. Convention 138 sets the minimum age for entry into employment, and Convention 182 calls for the elimination of the most exploitative forms of child labour, and making use of the ILO/IPEC program aimed at job placement for adults, and adequate schooling for children.

ample, improves rural mobility and access to markets for rural products, which in turn spurs ongoing economic activity in terms of job creation and the growth of local SMEs.

Non-agricultural employment and income-generating activities, including labour-intensive approaches to the building and maintenance of rural infrastructure, offer employment opportunities and income to rural workers. An employment-intensive approach could be applied to a range of infrastructure needs, for example, those identified in the Johannesburg Plan of Implementation—water management, community-based irrigation projects, sanitation, and rural energy provision.

In short, a sufficiently vibrant and varied rural sector can both make a major contribution to income and employment growth and cushion the impact of rapid economic contraction or volatility on the working population.

Help from Outside

Donor interest in microfinance as a source of rural finance has been in resurgence since the 1980s. The Grameen Bank, which was one of the pioneers, has helped small and medium-sized farms shift from low- to high-yield crops. But despite this renewed interest in microcredit, rural populations commonly still have less access to microfinance than they did in the 1960s. Many microcredit institutions are based in urban areas, lending to small trade activities there, but not in rural areas. Some institutions such as Financiera Calpia in El Salvador and PRODEM in Bolivia have made modifications to their lending products so that they can lend in rural areas, but a lack of access to credit still remains an obstacle. The ILO has been involved in supporting micro-leasing activities, helping financial institutions offer medium-term finance by leasing out assets (such as ANED in Bolivia, which leases out rural machinery), as well as offering policy advice on the necessary legal, regulatory, and institutional reforms needed for financial institutions to support productive rural entities through the formation of credit bureaux, property registers, and contract enforcement.

Employment-intensive investment is a cost-effective means of job creation that also contributes to improved working conditions. Employment-intensive investment links productive investment with employment creation and poverty reduction through engaging poorer workers and under-employed groups, and by using local materials. The income generated through this process can lift poor households above the poverty line. Of course, skills upgrading and training for workers poses challenges. But this type of investment is

10% to 30% cheaper in financial terms than traditional, input-heavy, investment; it creates 3 to 5 times more employment; and there is a reduction of foreign exchange requirements of 50% to 60%. The ILO's Employment-Intensive Investment Programme thus achieves the integration of economic and social policy objectives.

Conclusion

The issue of workers' productivity is one that illustrates the absolute necessity of taking an integrated approach to rural development. Workers will not be productive if they are sick. They will not be productive if they are hungry. And if they are not productive, especially in the agricultural sector, the sickness and hunger will continue through the generations. International organizations, governments, local communities, and individual farmers and labourers must work together to create the kinds of environment that will encourage and nurture productive work.

Workers and Productivity¹⁰⁹

by Gemma Adaba, International Confederation of Free Trade Unions

The International Confederation of Free Trade Unions (ICFTU), was set up in 1949 and has 231 affiliated organizations in 150 countries and territories on all five continents, with a total membership of 158 million workers, 40% of whom are women. It is a confederation of national trade union centres and is associated with the Global Union Federations (GUFs), which link national unions from a particular trade or industry at the international level. The issue of productivity affects ICFTU members in the developed and the developing world, and in urban and rural industries.

Focusing on Conditions of Work in the Rural Sector

According to ILO estimates, 1.1 billion men and women work in agriculture, of which 450 million are in waged employment. The majority live and work in very poor conditions, which are exacerbated by the current global trading environment. With tremendous falls in prices for agricultural commodities, many agricultural sectors are in crisis, with low wages and the threat of lay-offs.

The suffering is staggeringly widespread. The IUF (International Union of Food, Agricultural, and Allied Workers), which organizes workers in the agricultural sector, reports that there is a veritable humanitarian crisis in the tea-growing sector in India, where the restructuring of plantations has led to job losses for over 60,000 workers, many of whom are women. The sugar industry in Trinidad and Tobago has been affected by restructuring and threats of large-scale job losses, and the Caribbean banana industry has been hard-hit by the lifting of preferential access to European markets because of WTO rules.

Agriculture remains one of the three most hazardous sectors of economic activity world-wide. 170,000 agricultural workers are killed each year, according to ILO estimates, while millions more are seriously injured in workplace accidents with agricultural machinery, or poisoned by pesticides and other agrochemicals. Studies have found that heavy physical work, including manual transport of heavy loads, leads to chronic musculoskeletal disorders. This affects many women workers.

¹⁰⁹ From ECOSOC ministerial roundtable discussion, "Increasing productivity of rural work," hosted by ILO, 30 April 2003.

Constraints on Productivity Growth

Lack of attention to health and safety issues is a major factor in low productivity in the rural sector. In addition to workplace health risks, many workers, particularly in Africa, are affected by debilitating diseases such as HIV/AIDS, and malaria and tuberculosis have not been brought under control in many countries.

Lack of access to skills training, appropriate technology, infrastructure, and financial resources such as microcredit erect barriers to productivity. In addition, markets have failed to reward productive activities based on traditional skills and knowledge, for example those of indigenous peoples. And rural economies have failed to diversify from single-crop export commodities into crops for local food consumption and into non-farming. This makes them vulnerable to commodity dumping from the developed world, which depresses local prices and discourages local food-production activities.

Need for a Policy Shift

There is a need for a major shift away from neo-liberal economic policies to those which prioritize consumption-led, expansionary growth in employment and productivity in the rural sector, with the emphasis placed on positive distributional effects on rural populations through income transfer, and the promotion of decent work. This is defined by the ILO as work that is economically viable, ecologically sound, socially just, and underpinned by the observance of core labour standards. The policies and rules of multilateral institutions—the IMF, the World Bank, and the WTO—converge around a set of people-centred values based on fundamental human rights and gender equality.

Participants in the 2002 Monterrey Conference on Financing for Development declared that there is a need to establish a new agenda for sustainable development. They recognized that debt sustainability criteria are closely linked to a country's ability to meet the MDGs and that new mechanisms for substantial debt relief are needed. They called for increased Official Development Assistance (ODA), with the target of 0.7% of GNP to ODA by those industrialized countries that have not already reached this level. Also, the Monterrey conference emphasized increasing aid effectiveness through the untying of aid, good governance practices, and effective country ownership of development policies and programs.

International organizations are vital players in setting broad-based global goals for sustainable development, many of which will influence worker pro-

ductivity. The 2001 WTO Doha conference addressed special and differential treatment, market access, the phasing out of agricultural subsidies, and the exemption of essential life-saving drugs from TRIPS agreements. GUFs have called for the exclusion of essential social services such as water, education and health from the GATS privatization agenda. IFI policies, which lead to drastic restrictions in public spending, contractions in the economies of developing countries and countries with economies in transition, and ill-advised privatization, need to be changed. The promotion of corporate accountability to ensure positive developmental impacts of FDI is also an important component of any holistic approach.

The JPOI (Johannesburg Plan of Implementation) based on the WEHAB agenda (Water, Energy, Health, Agriculture, and Biodiversity) has the potential to greatly strengthen rural economies. Trade unions have been very active in Agenda 21 and in Johannesburg, and they have a strong presence at the current 11th session of the CSD, promoting the social pillar in the WSSD outcomes. The ICFTU proposed the mechanism of Workplace Assessments of sustainability, to promote the social dimension of sustainable development starting at the workplace.

Ways to Move Forward

A global enabling environment is an absolute prerequisite for stimulating economic and employment growth in developing countries and countries with economies in transition. Employment growth is, in turn, key to poverty eradication. The overwhelming incidence of rural poverty, and the feminization of poverty, put rural development and gender issues at the heart of the policy paradigm for sustainable development. Of critical importance is a just transition to sustainable patterns of agricultural production and food production, including organically-based agricultural production, with skills training, capacity building, and extension services. Food security policies should be based on local, small-scale production and adequate support for women who make up the bulk of small-scale food producers in rural areas.

Access to resources, water, land, facilities, infrastructure, and microcredit for rural farming and non-farming activities should be guaranteed to all, including small-scale producers and women. Healthcare is another pre-condition for improving worker productivity, particularly in the fight against diseases that debilitate rural populations and lead to low productivity: HIV/AIDS, malaria, tuberculosis.

These are ambitious objectives. They can be accomplished only through partnerships. It is therefore important to promote social dialogue between workers' representatives and trade unions, employers, and governments, following the ILO tri-partite model and the collective bargaining process. Collective agreements and labour policy agreements should ensure that rural workers obtain a fair share of the productivity gains from their labour and receive adequate social protection and social insurance against job-related risks.

Cooperatives: Rural Development and Decent Work¹¹⁰

by Maria Elena Chavez, Deputy Director-General, International Cooperative Alliance (ICA) and Coordinator, Committee for the Promotion & Advancement of Cooperatives (COPAC)¹¹¹

Improving the productivity of rural work requires creative thinking. New models of organization must be considered, and models that have been around for a long time need to be given a second look. Cooperatives put people first; they are member-owned, controlled by democratic principles, and are competitive enterprises that are at least as efficient in their business operations and use of capital as others in the marketplace. Yet, they are not driven by profit but rather by needs.

The cooperative form of organizing a business enterprise assures any group of individuals an effective means to combine their resources, however small, and enable that group of people to meet their common, economic, social, and cultural needs and aspirations. Co-operatives are autonomous associations of persons who unite voluntarily. They are jointly owned by their members and democratically controlled. Although people talk about cooperatives having members, it is important to note that *members* have their *cooperatives*, for it is the members who define the operations and activities, often directed not only towards their fellow members but also their communities.

Cooperatives are defined by the values and principles under which they operate. They are based on the values of self- help, responsibility, democracy, equality, equity, and solidarity. In addition, coops put their values into practice by following the seven internationally recognized cooperative principles, which are: voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training, and information; cooperation among cooperatives; and concern for community.

Values, principles, ethics and business competence constitute the cooperative advantage for members and for the communities in which they operate, especially in promoting economic and social development. In some countries,

¹¹⁰ From ECOSOC ministerial roundtable discussion, "Increasing productivity of rural work," hosted by ILO, 30 April 2003.

¹¹¹ ICA is the representative organization of cooperatives at the global level. It has over 230 international and national member organizations from 100 countries and from all sectors of the economy representing more than 760 million individuals. COPAC is an on-going partnership between representatives of the cooperative movement, farmers' organizations, and the United Nations and its agencies. Its members include FAO, ICA, IFAP, ILO and the UN.

cooperatives are seen as more trustworthy than traditional companies and corporations for just this reason. In others, cooperatives are seen as leaders in promoting food safety and security, in protecting the environment, and in providing decent employment. Still in others, cooperatives are building peaceful societies by promoting understanding and collaboration among people of different cultural and income backgrounds.

In the words of the UN Secretary-General, "Cooperative enterprises provide the organizational means whereby a significant proportion of humanity is able to take into its own hands the task of creating productive employment, overcoming poverty and achieving social integration..." Despite the current and future contribution of cooperatives to economic and social development, including the MDGs, many continue to believe that cooperatives are small, insignificant enterprises struggling for survival. They do not know that one half of the world's population is in some way supported by coops, that 100 million jobs are provided by cooperatives around the world, and that cooperative enterprises hold powerful positions in their national economies. For example in Colombia, ICA member, Saludcoop, is the 2nd largest employer, or in Kenya where 20 million people derive their livelihoods from cooperatives. Even in North America, 40% of the population have chosen to become members of agricultural, consumer retail, utility, insurance, or savings and credit cooperatives to name but a few of the most important sectors.

The cooperative movement creates viable and sustainable enterprises, secures productive employment and self-employment, and generates income and the payment of decent wages and salaries. Financial cooperatives provide the means to escape from indebtedness and for effective financial management. Their provision of insurance and services for health and social care, affordable and appropriate housing, and improved food security are major contributions to the alleviation of poverty.

When discussing the potential of cooperatives to promote rural development through community development, income generation, and empowerment of women and men, it is clear that cooperatives can and do make substantial contributions. There are many examples.

In West Africa, the large majority of producers at the primary level are smallholders. They have joined together in village groups and cooperatives to purchase agricultural inputs; to access technical supervision; to farm irrigated plots reserved for farmers' cooperatives; to market cash crops like coffee, cocoa, cotton, groundnuts; and to purchase or rent farm equipment. When agricultural produce is marketed, the coop charges commissions or fees which are

often reinvested into schools, maternity clinics, rural roads, and wells. In Côte d'Ivoire it is estimated that about 26 millions dollars have been invested every year in such areas. In addition, the coops have created more than 10,000 jobs.

In the Sahel countries, cooperatively managed cereal banks play two very important functions for food security during the lean season: they provide quick supplies to the rural community and they stabilize food crops prices on the local market. In Benin, the saving and credit coop FECECAM with 83 grassroots organizations has injected nearly 20 million USD in rural credit in 2002 alone and provides over 500 jobs for the running of the cooperative. In Burkina Faso, rural savings and credit cooperatives are not only providing rural populations access to safe savings and loan facilities, but they are branching out to respond to the health needs of members and the community by introducing a health insurance scheme and HIV/AIDS education.

In the Sahel, women's groups and coops are also very active in the primary or artisanal processing of certain food crops, the processing of ground-nuts and palm kernel into oil, drying and smoking of fish, milling of cereals. For example, in Niger more than 500 millet mills are managed by women's groups and coops. In many countries of the Sahel, the village groups and rural coops contribute to protecting the fragile environment by planting trees and building anti-erosion embankments to control desertification.

Also worthy of note is the Mukono Vanilla Species and Horticultural Cooperative Society, which increased its membership by 6 times in the last 10 years. It markets its members' high quality vanilla cured using in-house shade drying. By moving from simply selling raw green vanilla to processing it, this farmers' coop has eliminated middlemen and increased the farmgate price of vanilla from USD 1.65 per kilo to USD 11.00. It has also established a saving scheme for members and now provides nearly 100 jobs for people of the surrounding area.

Another example comes from Costa Rica. CoopeSilencio was founded in 1973 by a group of "campesinos" who wanted a better life for their families. From the beginning the cooperative focused on sustainable agriculture, producing palm oil and forestry products. It branched out its activities to include eco-tourism and introduced a conservation programme. The eco-tourism has created 7 new jobs and is a conduit for marketing the eggs and poultry produced by the women's cooperative. The coop can receive 40 guests and runs a series of conservation programmes. The returns are reinvested into the community for schooling of children as well as professional training, including

English classes so that the community can take full advantage of the tourism potential of the area.

With government funding that respects the autonomous nature of cooperatives, a number of indigenous communities have also turned to the cooperative model as way to improve the lives of their communities. In Brazil seven indigenous communities formed Amazoncoop. They believe that the best way to protect the forest is by developing commercial, sustainable products from the rainforest for cosmetics and herbal medicines, as well as introducing ecotourism. With the income that they have gained, they too have invested in their communities, providing safe water and other essential services. In Canada, aboriginal communities have established artisan cooperatives that provide the world with Inuit artwork. In many of these communities this activity has created economies where none existed before.

Finally, rural communities in countries like Sweden and Finland are seeing an influx of new cooperatives focusing on providing social services for communities including services for the elderly and disabled but also child-care.

These are only a few examples of how people in rural areas are using the cooperative model of enterprise to improve their lives, often with limited capital. But cooperatives can not grow and develop unless there is an appropriate national and local policy and legislative environment. ICA encourages governments, local authorities, and cooperators to take advantage of the policy guidelines that have been established by the United Nations and the International Labour Office on cooperatives.¹¹² Also important are properly functioning markets, access to credit at reasonable terms, and human resource development for building local capacity.

By identifying common interests and uniting them with shared values, people can make a difference in their own lives and in the lives of those around them through the cooperative form of enterprise. ICA and the Cooperative Movement look forward to working with the UN and their agencies and funds, with governments and non-governmental organizations to ensure the process of rural development and the attainment of the MDGs.

¹¹² The UN guidelines aimed at creating a supportive environment for the development of cooperatives are contained in the annex of the Report of the Secretary-General on Cooperatives in Social Development (A/56/73-E/2001/68) and the recently adopted ILO Recommendation 193 on the Promotion of Cooperatives.

Rural-Urban Interface and Slums¹¹³

Rural-urban interface refers to the complementary functions and flows of people, capital, goods, employment, information, and technology between rural and urban areas. The United Nations Declaration on Cities and Other Human Settlements in the New Millennium re-emphasized that rural and urban areas are economically, socially, and environmentally interdependent, and that cities and towns are engines of growth, contributing to the development of both rural and urban human settlements. Rural areas supply most of the food needs of cities, and cities, in turn, supply rural areas with manufactured goods and information. At the same time, cities also impose negative environmental burdens on rural areas.

The Declaration emphasizes the absolute necessity of integrated planning when it comes to rural and urban development—the linkages must be taken into account. While addressing urban poverty, therefore, it is also essential to eradicate rural poverty, improve living conditions, and create employment and educational opportunities in rural areas and small and medium-sized towns and cities. This kind of integrated approach can provide a much-needed lens through which to study slum formation in cities in developing countries and the rapid rural-to-urban migration that underlies it.

The increasing urbanization process in the world is creating urban and metropolitan concentrations extending beyond the administrative boundaries of the original cities, eating into the productive agricultural land in the peri-urban and rural periphery. The sprawling cities often use rural areas as sinks for waste. Although rural areas have the natural resources needed for food production, they are generally confronted with inadequate physical infrastructure, social services, and information and communications technology. In addition, employment opportunities are very limited.

Considering the many complementarities of rural-urban relationships, the development challenge is to enhance the potential of both areas simultaneously. International organizations, governments, and local communities must work to build positive interactions between the populations of the two areas, improving the livelihoods of both groups through enhancing their access to employment opportunities, markets, and services. The discrete and dichotomous approach to rural and urban development is no longer realistic or attainable

¹¹³ Based on the issues paper and summary of the ECOSOC ministerial roundtable discussion, “Rural-Urban Interface and Slums,” hosted by UN-Habitat, 30 June 2003.

and the old tendency of equating rural development with increased agricultural development and production alone is no longer valid. Holistic, mutually beneficial development must minimize the negative environmental impacts and ecological footprints of urban areas on rural areas, and vice-versa.

Investment in city-wide infrastructure, especially water and sanitation, but also including electricity, telecommunication, transportation, access roads, footpaths and waste management, is a pre-condition for successful integrated development and affordable slum upgrading. The adequacy and efficiency of infrastructure determines, to a large extent, the success or failure of linkages between cities, towns, and rural hinterlands. Effective infrastructure raises rural and peri-urban productivity, improves the functioning of markets, facilitates environmental protection, and levels the playing field for women and men, rural and urban dwellers. It also improves the environmental habitability of slums, but with all the other benefits, it is not unreasonable to hope that there will be fewer reasons for people to live in slums in the first place.

Developing intermediate and tertiary towns and new rural growth centres adds value to rural products and stimulates the development of rural areas, which then dilutes or moderates the intensity of rural-to-urban migration. This, in turn, will hopefully stem the tide of slum formation.

Decentralized cooperative models involve local people, local organizations, and stakeholders in participatory planning and regional development. This decentralization model has been implemented in Europe and some developing countries to good effect, and it should be spread. Measures that empower the people, especially women, create a conducive environment in which markets can work fairly. This, in turn, creates greater employment and income enhancement and thus contributes to eradicating both rural and urban poverty and improving living conditions in both the rural and urban contexts. By incorporating a wide range of people in the development process, countries can look forward to a future in which the "cities without slums" initiative becomes a reality.

***Poverty, Crime and Development: Can Alternative Development Bridge the Gap?*¹¹⁴**

The underlying principle of the UN Office on Drugs and Crime's approach to sustainable development is that unless the concerns at the heart of the Office's mandate—crime, illicit drugs, terrorism, trafficking in human beings—are addressed, sustainable development will not be possible.

UNODC activities in rural development, known in this context as alternative development, take place in those areas where illicit drug crops are cultivated. UNODC aims to help communities adopt alternative, legal livelihoods that are long lasting. Illicit cultivation typically takes place in rural areas that are remote and not easily accessible—those that have often been ignored by national and international development planning. It is necessary to include these areas in mainstream development and also to pay attention to similarly underdeveloped areas that might attract migration for the purposes of illicit crop cultivation in the future.

Alternative development seeks to create the economic and social environment in which households can attain an acceptable standard of living without the need for drug crop cultivation. Alternative development interventions have a direct impact on poverty alleviation through increased food security; increased cash income from alternative sources including livestock, crops and non-agricultural activities; access to licit markets; and improved access to social services.

At the core of alternative development is a recognition that drug crop cultivation is interwoven with numerous other issues, which go well beyond the microeconomics and agronomy of coca bush and opium poppy cultivation. The commitment must be made to address the underlying causes of poverty. Although it is important not to brand the poor with criminality, or even anti-social behaviour, poverty can lead to criminal behaviour, through desperation and temptation. Illicit crops are often cultivated in unstable regions and isolated areas under the control of insurgent or criminal entities. There, the reward for illicit cultivation is high and the risks of government reprisals low.

¹¹⁴ Based on issues paper and summary of ECOSOC ministerial roundtable discussion, "Poverty, Crime and Development: Can Alternative Development Bridge the Gap?" hosted by UNODC, 2 July 2003.

It is important to recognize that the cultivation of opium poppy and coca bush meets the demanding requirements of both the local environment and the rural economy. Attempting to replace the income received from opium poppy and coca bush with substitute crops is a necessary but insufficient condition for reducing levels of cultivation. Careful and well-structured government attention is necessary to ensure alternative development. Even in the best cases, though, alternative development is a long-term solution, often taking fifteen to twenty years to prove its success. Short-term solutions include the imposition of drastic penalties, but if they are not backed up with development aid and opportunities, they can lead to increased poverty, civil strife, and crime.

It is no longer possible to address drugs in isolation because the links to transnational crime, corruption, and terrorism, are too strong. Drug money fuels conflict and conflict situations fuel rates of drug abuse and addiction, especially among child soldiers. Other crimes, such as human trafficking and natural resource and small arms dealing are also part of the complex web. National governments cannot fight crime alone. They must be part of a coordinated international effort—because they are fighting international crime.

The key issues below demonstrate the need for an integrated and multi-sectoral approach to reduce the dependency on illicit drugs and to achieve sustainable development.

Employment

Illicit drug crop cultivation — especially opium poppy cultivation—is labour intensive and provides work for people, including the landless. Policy makers need to be informed about the economic returns of labour on drug crops and their alternatives and the allocation of labour among the different farm activities in order to identify effective interventions. Some interventions that have succeeded include public works efforts in Afghanistan that have alleviated pressures to cultivate opium poppy and off-farm training programs for Bolivian one-time coca farmers.

Land Tenure and Environmental Issues

Illicit drug crops are often grown in areas with low agro-ecological potential. The challenge is compounded when those zones lack infrastructure, services, and secure land policy. And in many cases, the longtime failure to address land-tenure issues has led farmers into those marginal areas in the first place, where they produce drug crops to survive. Strategic alliances should be sought to promote international and national development interventions in ar-

areas where these farmers originate, in order to curtail their desire to move to the marginal areas. For example, lowland tropical agro-forestry and forestry initiatives have accommodated farmers in such zones in Bolivia. Secure land use rights and access to renewable natural resources are of fundamental importance for sustainable alternative development.

Credit and Marketing

The cultivation of opium poppy is intrinsically linked with informal rural credit in source areas. In such areas, continued shortfalls in food production and illegal credit have led many households to run up substantial debts. Policy measures and alternative development interventions, therefore, need to improve the availability of legal credit.

The market for alternative development products is often limited and vulnerable. Assistance to farmers in the identification, processing, and marketing of products is therefore crucial to successful alternative development. Also, to overcome problems related to prices and marketing of alternative development products, the international community needs to provide greater access to domestic and international markets.

Empowerment and Gender Mainstreaming

In illicit cultivation areas, social decomposition can be extreme and include the dissolution of family and community life. The cases of Colombia, Peru, and Afghanistan come to mind. Effective household and community participation, themselves important to instituting sustainable alternatives, often require prior project-assisted restoration of the social fabric. Helping households and communities deal with the causes and consequences of conflict and create a strong civil society thus forms part of alternative development.

Women play an important role in illicit crop cultivation and often perform an important part of the work in the opium poppy or coca fields in most countries. Virtually all alternative development projects have a mandate to incorporate gender considerations, not at the margins, but at the centre.

Conclusions and Recommendations

Alternative development programmes and projects should be consistent with national drug control policies and national sustainable development policies and strategies in the affected rural communities. Without the involvement of international and national development agencies in illicit cultivation areas, isolated alternative development interventions cannot be sustained in the long term. National governments should establish or strengthen regional alliances

to share information and address shared concerns arising from their national drug control and alternative development strategies. Where appropriate, regional action plans should be established.

The key issues raised above clearly demonstrate the need to take into account the drug element when designing and implementing interventions for poverty eradication and sustainable development in rural areas. Long-term alliances need to be built between international agencies, international financial institutions, national organizations, civil society, and the private sector, with the objective of converting alternative development into an important component of sustainable development at the national, regional and international levels. Within the United Nations system, inter-agency cooperation needs to acquire a new meaning: it has to become a way to telescope and integrate each institution's work.

Outside the United Nations system, there is a similar need for greater integration of programmes. For example, while UNODC can help countries to reduce illicit crop cultivation, development banks and aid agencies have to step in, helping these countries to offer alternative livelihoods to the people in illicit crop cultivation areas. The success of Bolivia, Pakistan, Peru, Thailand and others — countries that have been able to stop or substantially reduce the cultivation of raw materials for illicit drugs — needs to be supported by multilateral development banks. Only then will farmers remain committed in the longer term to producing commercially viable legal alternatives.

■ **Appendix I**

High-Level Statements

Statement by H.E. Mr. Gert Rosenthal, President of ECOSOC

This is an important occasion in the life of the Economic and Social Council. It marks one of the few opportunities in which we, members of the United Nations, sit down with our main multilateral partners in the economic and social sectors to jointly reflect on the state of the world economy, as seen from the development perspective, and re-commit ourselves to support each other in the fulfillment of our respective mandates. Our High-Level Policy Dialogue takes place at a mid-point between ECOSOC's last gathering with the Bretton Woods Institutions and the World Trade Organization, held on April 14, and the meeting to be held next October, under the aegis of the General Assembly, both as follow-up activities of the Monterrey Consensus.

As a backdrop to today's dialogue, we are facing a disappointing global economic environment. Despite supportive macroeconomic policies in the major economies, the rebound, which appears to be underway, remains anaemic. Under the current forecasts, few developing countries are expected to return to their desired longer-term rates of growth before the end of 2004. Thus, the first few years of the new Millennium have seen unsatisfactory performance in the majority of developing countries (although there are some notable exceptions) and a significant setback for a number of them. In other words, the Millennium Development Goals are beginning to look unattainable in the time-frame originally proposed, both in the aggregate and for numerous individual countries.

Still, we certainly should not despair. Rather, we must make a renewed, concerted, and sustained effort, each in our respective domain of competence, to rise to the multiple challenges before us. Another way of posing this matter is to meet the broad commitments made in the Millennium Declaration and the more detailed proposals agreed to in Doha, Monterrey, and Johannesburg. I hope that this morning's discussion, to be followed by the High-Level Segment of the Economic and Social Council, will make a contribution to this effort.

With these minimal thoughts, it is now my distinct pleasure to give the floor to the Secretary-General of the United Nations, Mr. Kofi Annan, for his opening address.

Statement by Mr. Kofi Annan, Secretary-General of United Nations

It may not be true that “a rising tide lifts all boats.” But it is certainly true that, in bad weather, the weakest boats are the most vulnerable.

It is, therefore, bad news for developing countries that, contrary to expectations, the world economy has yet to recover from its slowdown in 2001, which was its largest setback in a decade. More than 30 developing countries have actually seen their per capita income drop in each of the past two years, and few can now expect to enjoy adequate growth again before the end of 2004.

Moreover, the risk of deflation, the spread of disease, rising unemployment in some countries, overcapacity in several sectors, and lingering geopolitical concerns are combining to undermine confidence, hinder investment and, as ever, make the lives of the poor that much bleaker.

In the face of these threats, our immediate, overriding task must be to stimulate economic growth. But over the long term, combating poverty and achieving the Millennium Development Goals (MDGs) require more than that. We cannot afford to lose sight of the agenda, universally agreed at Doha, Monterrey and Johannesburg, to tackle more fundamental development challenges.

Those conferences defined a new global partnership for development. They have given us clear strategies for bringing real vigour to the development process and for deploying resources—domestic and foreign, human and financial, existing and new—where they can have the greatest impact. The challenge now is not to decide what to do, but rather, simply, to do it.

But if major strides have been made towards linking financing and development, much remains to be done to make it easier for poor countries to improve their situation through trade.

The programme agreed to in Doha is more than just another round of trade negotiations. It aims to eliminate the unfair competition faced by farmers and producers in poor countries, and to open developed-country markets to developing-country goods—especially agricultural products. It seeks to give poor people better access to life-saving medicines, while preserving the incentives for medical research. In the broadest sense, it could provide a powerful engine of growth, thus, facilitating the attainment of the Millennium Development Goals.

This is a reasonable, achievable set of goals. Yet, success is by no means assured. Key deadlines have been missed. The time has come for all parties to show more flexibility and give priority to the global interest. It is not too late to avoid a setback for economic development.

Of course, even a successful outcome on trade will not mean that developing countries can manage without aid and debt relief. This is especially true of the least developed countries.

Galvanizing development and seizing new trading opportunities depends on technologies, transport, capital, and much else. Developed countries and aid agencies can make an important contribution here, not by doing the heavy lifting—that is the responsibility of developing countries themselves—but by helping to build the infrastructure, develop the human resource base and adopt sound policies. For poor countries to achieve “take-off,” two doors must open: the door to markets in the developed world, and the door in developing countries that internal barriers too often keep closed, stifling the entrepreneurial energies of their people.

Fortunately, the long and troubling decline in aid appears to have been halted. But aid flows are still at the mercy of recession and spending cuts in some key Organization for Economic Cooperation and Development (OECD) economies. Moreover, even if the commitments made in Monterrey were to be fulfilled, we will still be far short of what is required for us to meet the Development Goals: \$100 billion per year is what is required. Some very promising proposals—such as the International Finance Facility, which was put forward by the Chancellor of the United Kingdom, Gordon Brown—have the potential to increase the quantity and the quality of the assistance. I urge all donors to keep an open mind and, again, to act on the basis of the interests that are shared by all.

If there is one place where all these concerns come together; where the needs are greatest and the suffering most acute; and which can be called the locus of global poverty, it is the world’s rural areas.

Rural development is rightly the theme of this High-Level Segment. In those rural areas live three-quarters of the world’s poorest people, defined as those living on \$1 or less per day. Some 900 million such people draw their meagre livelihoods from agriculture and other rural activities.

They are on the frontlines of drought, desertification, and environmental degradation.

They are the farmers—women, above all—whose hard labour is undermined by protectionism, poor infrastructure and, increasingly, the spread of AIDS.

They are the indigenous peoples, herders, artisans, fisherfolk and others, whose struggles in isolated areas all too seldom capture world attention.

Address the needs of these men, women and children, and we will have real hope of achieving the MDGs. Empower these resourceful and resilient individuals, and they will show us how to fight poverty and hunger.

Rural development entails more investment in agricultural research and in developing higher-yield crops adapted to local conditions. And it requires efficient water management, resulting in “more crop per drop.”

It involves increasing non-farm income and employment, so that the rural poor are less vulnerable to crop failures and other calamities.

It means secure land tenure and, in some places, land reform.

It means a new Green Revolution: more productive farming, more sustainably pursued.

It means focusing on the least developed countries, in accordance with the Brussels Plan of Action.

And as I have already stressed, it will require developed countries to allow agricultural products from developing countries to reach their markets, unimpeded by direct or disguised barriers such as subsidies.

All this can happen only with a real commitment to bring rural development back to the centre of the development agenda. After a sharp decline in support for agriculture and rural development over the past decade, we are now beginning to realize, once again, that they are central to the entire development agenda. Nowhere will our commitment be put to the test more than in Africa, where food insecurity and AIDS are working in vicious tandem to thwart the continent’s rural development.

As a central United Nations body for development policy and policy coherence, the Economic and Social Council must ensure that the United Nations system brings all its capacities to bear on these challenges—in an integrated fashion, and working in concert with the full range of partners.

With that aim in view, I wish you all possible success in your deliberations.

Statement by Mr. Horst Köhler, Managing Director of the IMF

The world economy continues to face uncertainty. In the United States, economic policies have been appropriately supportive. There are recent signs of a firming in activity, and a broadening of the recovery in the second half of this year is expected. In Europe and Japan, although a pickup is still expected, there are as yet few signs of imminent recovery, and policies need to remain supportive. Overall, the balance of risks has improved somewhat, and a return of global growth to about 4 percent in 2004 remains the most likely development. But the current slow pace of growth in the advanced economies presents a particular problem for emerging market and developing countries, whose prospects depend critically on growing international trade and a healthy world economy.

Emerging Asia continues to be the bright spot in the global economy, but the region depends heavily on economic growth in the advanced economies, especially in the United States. And while SARS appears to be receding, its economic impact cannot be fully assessed yet. Latin America is emerging from its deepest recession in two decades. Recent developments are encouraging, led by the strong agenda articulated by President Lula in Brazil. And while growth in low-income countries, including in Africa, has been relatively robust, it remains well below levels needed to advance significantly toward the Millennium Development Goals.

Restoring confidence and growth to the world economy requires vigorous efforts by all countries to address their own weaknesses as well as global economic risks. At the Evian Summit, the leaders of the G8 voiced the political will to work together with emerging market and developing countries to address the world's problems. This is encouraging. But, of course, we need to see action. In the advanced economies the primary task is to raise medium-term growth potential. In Europe, we welcome the strong efforts in several countries, including Germany, to introduce much-needed structural reforms. In Japan, the process of bank and corporate restructuring is underway but needs to be accelerated. And in the United States, the priority must be to re-establish a sound medium-term fiscal framework. Meanwhile, emerging market and developing countries must stay the course, by strengthening economic policies and institutions to take full advantage of the opportunities of the global market place. And in a world of growing economic and political interdependence,

restoring confidence also requires the credible demonstration of international cooperation. Implementing the Monterrey Consensus and making decisive progress in the Doha Trade Round should lie at the heart of this cooperation.

The two-pillar development partnership launched in Monterrey last year marks an historic step in our fight against poverty. There is now widespread agreement that successful poverty alleviation requires both sound national policies and good governance as well as more effective assistance by the international community. In Africa, the New Partnership for African Development (NEPAD), formulated by the African leaders themselves, rests on the same foundation. This is the right approach, and the IMF is fully engaged and supportive.

Sustained implementation of good policies in low-income countries is bearing fruit. In Africa, in particular, strong performers, including Benin, The Gambia, Mozambique, Tanzania, Senegal, and Uganda, have seen real growth averaging 5 percent or more over the past five years, compared to less than 1 percent for sub-Saharan Africa as a whole—and negative growth in the preceding decade. At the same time, inflation has fallen well into the single digits and external imbalances have diminished. The better economic performance has also been reflected in stronger public finances. And while progress under the HIPIC initiative has been slower than many would like to see, it is proving to be helpful in a growing number of countries. In the 26 countries that have reached the decision point, external debt has been cut by two-thirds.

At the same time, debt relief has freed up resources for social spending: on average, debt service has fallen from about 30% of government revenue in 1998 to 15% in 2002, while social spending now amounts to four times as much as debt service outlays.

But more will be needed to make decisive progress in poverty alleviation. The sober reality is that maintaining even the current, relatively good performance will not suffice to halve poverty by 2015, as envisaged in the Millennium Declaration. Indeed, NEPAD itself aims at raising growth to 7% per year. This will require more and more productive investment as well as structural reforms to boost competitiveness.

The private sector must play a key role in this process. And to create an environment that attracts private investment, macroeconomic stabilization must be complemented by policies to strengthen governance and build institutions. The importance of establishing a culture of credibility cannot be overemphasized. In some countries, such as Tanzania and Uganda, there is encouraging

progress. They are reforming the legal and regulatory frameworks, and strengthening and diversifying their financial sectors to ensure better access to credit for small and medium-sized enterprises. But in many other countries, particularly those ravaged by persistent wars and unrest, sustained growth and poverty alleviation remain distant prospects.

Sound domestic policies in developing countries need to be matched by more support from the international community. Advanced economies must live up to their pledges, and the long-standing target of 0.7% of GDP remains a concrete test of their credibility. We must also look for innovative ways to provide the resources that are needed. Chancellor Gordon Brown's proposal to accelerate financing for development through an International Financing Facility is a creative way to leverage scarce public resources and tap the vast potential of international capital markets for development. The proposal was discussed in Evian, and I hope that it receives the careful consideration and further work that it deserves.

A critical contribution to poverty alleviation lies in strengthening international trade by improving market access for developing country exports and reducing trade-distorting subsidies in the advanced economies. This is why a successful conclusion of the Doha Trade Round, within its allotted time frame by the end of 2004, is so important. We welcome the agreement among EU ministers on the first reforms to the EU's Common Agricultural Policy, which we hope will serve to restart the delayed agricultural trade discussions. The details of the EU's proposed reform remain to be fully assessed, but the decision to begin to decouple financial support from production levels in some areas is a step in the right direction.

But there is no doubt that a genuine development round must also have broad-based improvement in market access conditions for agricultural products, as well as a significant reduction in trade-distorting subsidies, at its core. Progress on access to all advanced economy markets needs to be a key priority. Delays have also affected the public health provisions in the intellectual property agreement. In this area of key importance to global public health, all parties and especially the United States, need to display the commitment to move these discussions forward, around the sensible proposals that are on the table.

In September, the World Trade Organization will hold its Ministerial Meeting in Cancun. Cancun is an opportunity for all to show decisive leadership—leadership to restore confidence and growth to the world economy and make decisive progress in our fight against poverty. The IMF is fully committed to

helping implement the Monterrey Consensus and assist its members to alleviate poverty. The key operational vehicle in this process is the Poverty Reduction Strategy Paper (PRSP). The PRSP process emphasizes participation and ownership, involving the country itself, bilateral and multilateral donors, NGOs, and civil society, in a transparent dialogue. In this effort, the Fund will continue to concentrate on its areas of competence: establishing a framework for sound macroeconomic policies and institutions. To this end, we have reduced our conditionality by focusing it on these areas that are central to achieving the macroeconomic objectives of the program. And we are working hard to ensure a better alignment between the PRSP, the national budget framework, and our own low-income lending facility, the PRGF.

Capacity building through technical assistance and training is a critical ingredient of sustainable development and growth. At the IMF, we are providing the ongoing assistance and training that member countries seek, to strengthen their institutions and human resources and to manage their economic and financial policies. And in recent years, we have reinforced our efforts by expanding our regional technical assistance centers, located in the Pacific, the Caribbean, and now in East and West Africa. The objective of these centers is to help strengthen the capacity of low-income countries to design and implement their development strategies, and their activity is being closely coordinated with other regional initiatives.

Over the medium-term, the IMF will further tailor its assistance to the evolving challenges facing low-income countries. Increasingly, as macroeconomic stabilization takes hold, the priority is to boost growth. The IMF will work with other institutions, particularly the World Bank, to assist its members to develop and strengthen sources of growth, domestically and through increased regional and international economic development, including by promoting domestic and foreign investment and by building strong and diversified domestic financial sectors. More immediately, many low-income countries remain vulnerable to exogenous shocks, and the IMF is examining its financial and non-financial instruments with the aim of improving its ability to help its members deal better with shocks should they occur.

But a prerequisite to macroeconomic stability and growth is political stability. Where countries continue to be dogged by civil strife, solutions lie in the realm of politics, not economics. And once the political will is found, the IMF will continue, and indeed reinforce, the financial and technical assistance it provides to countries emerging from conflict so that they can establish the economic and financial foundations for growth.

The Monterrey Consensus is our framework for the development partnership. And in the PRSP process, we have an operational vehicle. We are beyond the debating stage: what is needed now is implementation. The IMF stands ready to do its part. Working together, with all partners fulfilling their commitments, we can make decisive progress toward the goals set out in the Millennium Declaration.

Statement by Mr. Rubens Ricupero, Secretary-General of the UNCTAD

It is not, Mr. President, because of some inordinate love of paradox that, rather than focusing on the distress, misery and despair in the rural areas of the poorest countries, I propose to concentrate on the plight of poor farmers in the two richest agricultural economies of the developed world. Such an approach ought to be nonsensical at a time when wealthy economies are spending nearly U.S. \$1 billion a day—six times more than what they provide in foreign aid—supposedly to help their small producers. Nonetheless, distress and misery do characterize small-scale agriculture in the world's wealthiest countries. Over the past 15 years, as subsidies have expanded relentlessly, small farmers in these countries have become poorer and poorer in relation to the rest of the population, so much so that they are now a vanishing species.

My second point is a corollary of the first: if the most forceful moral and political justification for subsidies is that they are needed to save the peasants, then the facts demonstrate they are not achieving their purpose. They should thus be abandoned altogether, or replaced by something more effective.

The third point I would like to make is that farm subsidies have a perverse effect. Not only do they cruelly fail to help the poor in the North, they also seriously harm poor peasants in the South. As a result, the topic of this session of the Council—promoting an integrated approach to rural development in developing countries—can only be achieved if a central element of this integrated approach is the prompt elimination of the external constraints that presently make it an absolute impossibility.

In a *New York Times* article of 15 December 2002, entitled "Drugs, Poverty and Crime Plague Rural US," Timothy Egan makes a startling assertion: "A rural ghetto is unraveling in the same way that inner cities did in the 1960s and 1970s Decades of economic decline have produced a culture of dependency, with empty counties hooked to farm subsidies, just as welfare mothers were said to be tied to their monthly checks. And just as in the cycle of the cities, the hollowed-out economy has led to a frightening rise in crime and drug abuse." He went on. "Crime is fuelled by a methamphetamine epidemic that has turned fertilizer into a drug lab component and given some sparsely populated counties higher murder rates than New York City Drug-related homicides fell by 50% in urban areas, but they tripled over the last decade in the countryside." At the same time, the exodus from large parts of rural America

is continuing: "While the nation as a whole grew by 13% in the 2000 census, many counties [in rural areas in several states]...lost 9% or more of their population during the 1990s." The exodus has much to do with another finding of the US census, that the percentage of people living below the poverty line is nearly 30 percent higher in rural areas than it is for the cities.

The correlation between these phenomena and the subsidies is mentioned explicitly: "We give a lot of tax breaks and direct payments to big agriculture companies that don't do much for the local economy. ... In Nebraska, nearly 70% of all farmers rely on government largess to stay in business. Yet, the biggest economic collapse is happening in counties most tied to agriculture—in spite of the subsidies."

Turning, our attention to France, the picture is hardly more encouraging. The number of suicides in the French countryside has increased so rapidly that the *Mutuelle Sociale Agricole* considers the phenomenon "a truly public health problem." Rural suicides, contrary to the national trend, are prevalent among the young, and among highly indebted farmers in particular. How can this happen in a country well known by its vigorous defence of farm subsidies? A possible answer is given in a study by Oxfam: "France has one of the most highly skewed patterns of subsidy distribution in the EU, especially at the lower end of the range. Around one-third of farms receive between E 0 to 1,250 each year. Within this group, one-quarter receive nothing. The 15 percent of farms receiving in excess of E 20,000 account for 60 percent of total payments."

Over the past 12 years, the peasant population in France has declined by one-third. Out of every three rural enterprises, more than one have disappeared as a result of death, retirement or the refusal of the new generation to follow in their parents' footsteps. The family population in the countryside, which accounted for 12% of the 1970 total, fell to 6% in 1988 and 3.5% in 2000.

Thus, the shrinking rural population, the growing concentration in land ownership and the increase in the average size of farms belie the argument that subsidies are a necessary evil if the complete extinction of small farmers is to be avoided. These worrisome phenomena are observed not in marginally agricultural nations like Norway or Switzerland, but in the USA and France—the world's two largest agricultural exporters and the two most advanced economies in terms of farm productivity and, it goes without saying, in terms also of the number, variety and size of subsidies. The overall amount of subsidies has risen from an average US\$ 238 billion in 1986-1988 to US\$ 248 billion in 1999-2001. This increase occurred after, not before, the Uruguay Round, and despite an agreement to reduce subsidies. It coincided precisely with the pe-

riod when peasants were vanishing and the average farm was doubling in size. How to explain the contradiction? The answer is simple; producer subsidies are highly regressive.

As Kevin Watkins, Head of Research of Oxfam, puts it, "Far from benefiting small farmers, agricultural support goes overwhelmingly to large-scale, capital-intensive agriculture, and for a good reason: support is closely correlated with production levels, or—in the case of direct payments—to land ownership. In other words, support levels are a function of output and assets and large farmers are capturing a disproportionate share of support benefits." Watkins argues that "distribution of agricultural support in industrialized countries is far more unequal than the distribution of income in the world's most unequal countries." He cites Brazil and South Africa, with Gini coefficients of 60, compared to coefficients for the distribution of farm subsidies of 79 in the US and 77 in the EU. He rightly concludes: "If policy makers were seeking to create a system of support designed to maximize inequality they would be hard pushed to better current arrangements."

The evil generated by this misdirected welfare policy is by no means limited to its failure to help its hypothetical beneficiaries. In more than one sense, poor-country farmers are financing the social welfare doled out to rich-country farmers. First, even if subsidies were given only to products domestically consumed, and even if such subsidies were decoupled from production or prices, as the European Commission proposes to do, they are still of necessity linked to high market access barriers. Consequently, they limit markets for exports from developing countries.

Secondly, whenever subsidized products get into the world market, they drive prices down, creating volatility in prices and hurting developing countries' exporters. Agricultural support in OECD economies insulates producers from world price changes, shifting the burden of adjustment to the poor. This instability is the cause of fiscal and balance-of-payments problems.

Thirdly, many of the subsidies in the EU and the US go to products exported to the world market, such as dairy products, beef, poultry, wheat, soya, sugar and cotton, taking significant market shares away from more efficient producers in developing countries.

Fourthly, as subsidized foodstuffs from rich nations enter the markets of the poor, they compete unfairly with local producers, who are often driven out of business altogether. They thus create an artificial dependency on foreign

suppliers and aggravate the problem of food security in times when food aid disappears and prices go up.

We should all praise the courage and determination of the EU Commissioner for Agriculture and his colleagues in moving away from production- and price-linked subsidies. However, the preliminary reports do not allow us to conclude at this juncture whether the reforms announced will substantially change the current pattern of concentration of 80% of payments in the hands of 20% of the bigger farmers nor about the extent to which the new system will mitigate the trade distortion. This will much depend on the clarification of the following points, among others: a) is there going to be a quantitative cap in payments to large farms and what will be the final percentage of reduction in subsidies to that privileged category? b) is decoupling supposed to remain partial and when will it be extended to products such as sugar and cotton? c) how to reconcile the criterion of aligning payments to past performance over the period of 2000-2001 with decoupling them from production and prices. In spite of the uncertainty around those points, there is no denying that the recent EU decision represents an encouraging change in the right direction. Let us now hope that the same inspiration prevails in the US, where the last Farm Bill went in the opposite direction of the 1996 Freedom to Farm Act and chose to link again subsidies to production and prices.

In the light of this analysis, it is undeniable that the farm support systems of OECD nations are seriously aggravating poverty and having an equally serious and direct impact on the prospects for poverty reduction to which the Millennium Development Goals aspire.

Nowhere is this linkage more dramatic and morally indefensible than in what I have called “the international scandal of cotton.” Subsidies to cotton are provided not only by the United States but also the European Union, and to a lesser extent China. American subsidies are, however, the main cause of the cotton crisis, in part because of their sheer size—between US\$3 and \$4 billion annually—and in part because more than 40% of the output is exported, which makes the United States the largest exporter of this good. Even when world prices declined to 38 cents a pound in May 2002, the United States was able sharply to increase its share of the world market, despite its considerably higher production costs. As a result, Africa as a whole lost about US\$300 million, with West Africa losing US\$191 million (equivalent to 1 percent of Burkina Faso’s GDP and 12 percent of its export earnings). As was recently highlighted, that country lost more than what it had received in debt relief under the IBC Initiative Losses for Mali and Benin exceeded what they received in United

States aid. In Benin, lower world prices for cotton are associated with a 4 percent increase in the national incidence of poverty. In those three West African nations—all of which are LDCs, the poorest of the poor—about 11 million people depend directly on cotton as the only source of cash income. In some West African countries, over 90% of the production is exported, and cotton accounts for one-third of their export earnings.

Aside from its importance for agricultural production and exports, cotton is frequently the only engine of local industrialization, through the production of edible oil, soap, textiles and clothing. There is no better example of the potential for dynamic gains than the fact that every additional dollar generated in the rural economy can raise income by as much as three dollars. In stark contrast to this is the more than US \$3 billion paid in subsidies to 25,000 cotton farmers in the United States, who received more subsidies per capita and per acre than any other group of producers. The top 10 percent of those producers account for over three-quarters of the subsidies, and the 10 largest among them shared over US \$17 million in direct payments alone.

More than an economic or trade problem, cotton subsidies pose a moral dilemma for women and men of good will worldwide. As the President of Burkina Faso said at the WTO, cotton requires an “early harvest” decision to be made at Cancun. It should include an accelerated phase-out of production subsidies and immediate transitional compensation to be provided by Northern cotton producers. Anything short of these clearly unimpeachable demands would be seen as an additional and undeserved blow to countries that are struggling to escape the poverty trap created at least in part by unfair external constraints, such as subsidies for the rich. And if we are not prepared to make those relatively straightforward decisions, then this discussion of rural development in poor countries runs the risk of becoming little more than an exercise in futility.

Statement by Dr. Mamphela Ramphele, Managing Director, World Bank

Mr. President, my distinguished colleagues from the IMF and from UNCTAD have mapped out clear pictures of the economic conditions and concerns of our time. I'd like now to offer a parallel perspective, based on our sense of both the urgency of and possibility for a multidimensional approach to multilateralism. Indeed, in the face of a complex set of threats, I believe that our striving toward a strengthened development compact becomes more necessary than ever.

I am struck by the unique relevance of the debate on the various dimensions of the rural sector to the broader debate we are engaged in this morning, with regard to agricultural and trade questions, but also related to questions of poverty, empowerment, health, education—the elements which drive our societies as well as the global agenda.

The Urgent and the Important

To the fundamental question of poverty and development in today's world, at least two things seem to be important anchors that retard progress: the slow pace of global growth weakens the springboard effect that global growth has on poverty reduction as well as on trade, employment, and production, and today's environment for development has also been greatly influenced by geopolitics, which also greatly influences economics and the risks that people take in terms of investment, in the informal sector, in small, medium and large firms and in term of the larger outlook of their activities.

But the poverty agenda remains the primary point of urgency. As President Wolfensohn has repeatedly stated: "We believe that combating poverty, giving opportunity to citizens, and providing development programs are the true keys to security and peace." The urgent and the important blend together if we take a broader and longer-term view.

As a Community, We Now Have Very Rich Experience about Development

The UN Conferences and Summits of the last years, and in our case, the process of embedding the Millennium Summit, Monterrey, and Johannesburg in the work of the Development Committee and implementation commitments guided by Bank management, has created a common platform of multilateral

efforts by key stakeholders. This creates a multidimensional view on development.

Development is about fundamental changes in economic structures (less traumatic migrations from the rural areas to the cities and peri-urban areas; transformation in technology and trade, increasing productivity in agriculture, service and industry, and so on) and changes to social life (health and life expectancy, education and literacy, population size and demographic structures, gender relationships, and so on). The challenge to policy is to help release and guide these forces of change.

We now see the objectives of development as enhancing the ability of people to shape their own lives.

We have taken a two-pillar approach to a strategy for development. The first pillar is the creation of a good investment climate, one that encourages the informal sector, small and large firms, in rural and urban settings, to invest, create jobs, and increase productivity. We need global growth for this, we need to seek long-term debt sustainability, we need lower trade barriers and subsidies in agriculture in OECD countries, and we need more and widely distributed foreign direct investment. In sum, we need to achieve goal eight of the MDGs and we need the coherence and systemic elements of the Monterrey Consensus.

The second pillar is to empower and invest in poor people, by enabling their access to education, health, and social protection, and by enhancing the mechanisms for participation in the decisions that shape their lives. Country ownership of the reforms, domestic mobilization of resources, social inclusion, development effectiveness and the compact between developed and developing countries in the first seven MDGs and in their links to the full Monterrey agenda are essential for a major scaling-up effect.

This two-pillar approach, as a practical way for the Bank to translate the agreed development compact of the UN Conferences, moves beyond the "Washington Consensus." Today fiscal discipline, market-determined exchange and interest rates, protection of property rights, liberalization, openness of trade, and so on, are accepted and valid. Although there can be questions raised about balance between each element, the more important question is what is left out: governance and institutions, the role of empowerment, the importance of country ownership, or the social costs and the pace of transformation. We have all learned and we should be in an era of implementation, of learning what works and what doesn't work.

The translation of the two pillars that I described so as to move beyond the “Washington Consensus” is a first step toward implementing in an integrated manner the follow-up to the major Monterrey, Doha and Johannesburg consensus.

Learning from Monitoring MDG Progress and Related Outcomes

The Development Committee¹ in the Spring Meetings of the Bretton Woods Institutions last April asked management to develop complementary to the UN’s efforts, a framework for monitoring policies and actions to achieve the MDGs and related outcomes.

For developed countries, the thrust is in two areas. One is increased market access for developing country exports. The second is more and better aid, including support for education, HIV/AIDS, and water supply, and implementation of harmonized and related good-practice approaches to development assistance.

For developing countries, the thrust is in strengthening the rule of law and infrastructure to improve the environment for private sector activity, improving the quality of governance and public sector capacity, and increasing effectiveness of the delivery of human development and related services to poor people.

The Bank’s own effectiveness and transparency in supporting country development was also highlighted.

As was discussed in two events this month at the Bank, there is a need for a prioritized, time-bound, and costed action plan for international support for statistical capacity, especially for those countries most at risk of not achieving the MDGs.

Enhanced Ways to Implement at the Country Level

Poverty has many dimensions in addition to low income: illiteracy, ill-health, gender inequality, environmental degradation, etc. To achieve the MDGs economic growth is essential but not enough. A healthy growth in per capita GDP from now to 2015 will enable five of the six developing regions (East Asia, Europe and Central Asia, Latin America and the Caribbean, Middle East and North Africa, but not Sub-Saharan Africa) to probably achieve the goal to reduce income poverty, but will allow only two regions (East Asia, Europe and Central Asia) to achieve the primary enrolment goal, and none the child mortality goal.

The two-pillar approach I described deals with some of the more systemic and global issues that are high inter-governmental priorities. However, let me talk more about the country-based obstacles to implementing the normative framework of the UN Conferences and Summits. In the forthcoming World Development Report 2004 titled *Making Services Work for Poor People*, four components indicate why this is so.

Unequal access. While governments devote about one-third of their budgets to health and education, they spend very little of it on poor people, in particular in rural areas. In a country in South Asia, almost half the educational spending accrues to the richest fifth of the population and only 11% to the poorest fifth. In a North African country, even though clean water is critical to health outcomes, only 11% of the poorest fifth has access to safe water, but everybody in the richest fifth does.

Resources don't actually reach poor people. Even when public spending is redirected to primary clinics or schools in, for example, rural areas, the money does not always reach the frontline provider of services. A decade ago in a Sub-Saharan country only 13% of non-salary resources actually reached the schools—now with information, transparency and other policies in place most reach those schools.

The quality is low and the incentives for the providers are not there. Even if the share increases, the incentive is weak for good teachers, nurses or doctors to deliver services effectively, and humane attention is not the priority. The accountability relationship among policymakers, providers (schoolteachers, water companies, bus drivers, nurses and doctors), and poor people (as patients in clinics, students in schools, travelers in buses, consumers of waters and so on) is a major challenge. And it is a central responsibility for national, regional, and local authorities to address this challenge.

Lack of demand. The voice of the potential users—poor people—is weak and does not usually create positive pressure for better services.

There is a huge responsibility for the donor community. Improving service outcomes for poor people requires strengthening the relationships between

¹ A forum of the World Bank and the International Monetary Fund that facilitates intergovernmental consensus building on development issues. Known formally as the Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries, the Committee was established in 1974; the Committee's mandate is to advise the Boards of Governors of the Bank and the Fund on critical development issues and on the financial resources required to promote economic development in developing countries; over the years, the Committee has interpreted this mandate to include trade and global environmental issues in addition to traditional development matters.

client and provider, between citizen and policymaker, and between policymaker and provider of services. In their zeal to get services to poor people, donors often overlook one or more of these relationships. They create a separate unit by bypassing the relationship between policymakers and providers; each fund is earmarked for specific purposes and with different complex fiduciary rules, weakening the building of capacity locally and nationally. Thus, harmonization of procedures, fiduciary practices, procurement processes, untying of aid and similar efforts are a central homework for the donor community, bilateral and multilateral.

The operational implications of the World Development Report 2004 will provide us with a wealth of fresh lessons on how we will move forward with the implementation agenda.

Key Implications for Rural Development and Poverty Reduction

The key thrusts in implementation are to raise the profile of rural development in national policy, including raising the voice of rural poor in national planning processes; to scale up innovations and successful investments in rural development; and to improve the impact of Bank operations in rural areas.

An essential feature is to address rural areas in their entirety, with a multidisciplinary approach that considers poverty, social and gender equity, local economic development, natural resources management, good governance, and effective delivery of services to poor people. The links between rural development, a good investment climate, and empowering and investing in poor people are essential. Finally, it is important to remember that the lessons learned about how to deliver quality services to poor people in general are fully applicable to rural areas.

Summarizing Comments

At the Bank, we have come to recognize the value of ECOSOC's role as one of the key venues for seeking coherence and cooperation in conference follow-up. We believe coherence in development and achievement of agreed development goals is a two-way street. It starts at home. In national governments' inner circles, there must be agreement on a comprehensive development strategy, including coherence and agreed prioritization among the various ministries, and a voice for society that can be coherently reflected in the multilateral institutions. This applies to all countries, including developed countries. In developing countries, a poverty reduction strategy is a key measure of

national commitment to implementing comprehensive, pro-poor frameworks, beyond the 1980s structural adjustment era.

This commitment must also be reflected at the multilateral level. Just as there should be more coherence among key actors, including a voice for societal actors, there should also be effective means to enhance coherence and coordination at the international level. This dialogue under the flagship of ECOSOC is one excellent example of that effort. At the interagency level, the work of Chief Executive Board is another example of a search for coherence.

To make the system work, however, we believe that we must cooperate, not build new or overly complex coordination structures beyond our mandates. We must develop simple but deep means of dialogue and continue, as the Monterrey Consensus states: "to build bridges, between development, finance, and trade organizations, and initiatives, within the framework of the holistic agenda of the Conference. Greater cooperation among existing institutions is needed, based on a clear understanding and respect for their respective mandates and governance structures."

Based on this, we have carefully observed the considerations being made by the governments and are ready to engage in the fall dialogue on Financing for Development with the General Assembly. We believe that coherence must be used to implement the global agreements, particularly through the common yardstick of the MDGs, in areas such as education, water and sanitation or communicable diseases.

At country level this becomes critical: once implementation is underway, lines between normative aspects of the Conferences can get blurred in dealing with comprehensive issues, such as girls' education, which could benefit, for example, from a comprehensive package of roads, water and sanitation, female teachers, domestic financing, and debt relief.

We believe that there are five principal elements which must be in place for effective implementation:

Comprehensive national strategies. The center of the action is the country, where Monterrey and all the Conference agreements should come to life, in effective, inclusive development strategies, supported by the resources and knowledge of a decentralized Bank; strong country presence of the UN agencies, funds and programmes; and focused bilateral presence.

Realistic implementation plans. At the Bank, we are putting a system in place to implement Conference follow-up, through fast-track approaches to such issues as Education For All, communicable diseases, and water and sanitation.

We are realistic, but not complacent; we have our eyes on the MDGs and how to support countries in implementing them, rapidly and sustainably.

Harmonization. We must agree that bilateral, regional and international donors have to align themselves with country-driven development strategies, including poverty reduction strategies, to simplify their way of doing business, make procedures simpler for developing countries, and agree on relevant standards that will focus on how to make things happen more quickly and effectively in the field. Staying engaged requires streamlined support to country programs.

Monitoring development results. As the Development Committee has stated, there is the conviction that major progress toward achieving the MDGs is possible. Actions and policies to achieve the MDGs should be defined and form a shared pool of knowledge for everyone.

Effective partnerships. The UN-led MDG campaign and the monitoring (by the Bank and other partners) of the relationship between policies and outcomes and an overview of the development process are complementary, self-reinforcing and necessary to advance multilateralism, based on results, development effectiveness, and efficient implementation.

However, to move implementation forward, we believe there is one non-negotiable element: we must agree to set deadlines *now* for our actions if we are to meet the 2015 goals, and we must monitor progress both of the targets and of the way development outcomes are being addressed.

Statement by Mr. Francisco Thompson-Flores, Deputy Director-General of the WTO

Doha Development Agenda

The main contribution of the WTO to global economic development lies in the Doha Development Agenda. Dr. Supaohai has asked me to brief you on the Doha negotiations and to highlight the crucial link between WTO's work and the international community's efforts to achieve the Millennium Development Goals.

The Doha negotiations are extensive. They cover implementation, agriculture, services, market access for non-agricultural products, intellectual property, WTO rules, dispute settlement, and trade and environment. There are new issues being looked into as well. The entire agenda has placed development issues and concerns of developing countries at the heart of the negotiations.

The negotiations are ambitious, seeking to retain the tremendous gains of past rounds and make new gains. They are about improving trade conditions and market access opportunities, especially for poor countries. They are about ensuring predictability, so vital for the global business community. And they are about refining, clarifying, and strengthening the rules that govern trade relations between states.

Of course, trade is only one element in the complex developmental equation and Doha is only one part, along with Monterrey and Johannesburg, of the international consensus towards achieving the Millennium Development Goals. But I am convinced, like the Director-General, that if we are to achieve a more prosperous, equitable, just, and stable world, we must have a successful and timely outcome of the Doha negotiations. I further believe this outcome is possible if governments are prepared politically to commit to the overall endeavour.

Arguments for the Round

All regions of the world are now experiencing economic uncertainty and slow economic growth.

After an average rate of trade growth in the 1990s of 6.7%, global trade experienced a 1% decline in 2001 and grew by just 2.5% in 2002. Early indications suggest growth in trade volume for 2003 will be little or no better than

2002. The weak global economy urgently needs the stimulus that significant liberalization of world trade can bring. Successful conclusion of the Round is thus key to reviving the world economy.

Also, we are in a period of growing global uncertainty and profound challenges to multilateralism. The Doha negotiations offer governments an opportunity to demonstrate renewed commitment to multilateral cooperation and to shared responsibility for addressing problems such as poverty and unemployment, which are so closely bound up with issues of international security and stability. Failure of the Doha Development Agenda is not an alternative, because it would send a very damaging signal around the world about prospects for economic recovery and multilateralism generally.

Status of the Negotiations

Negotiations are underway in all areas of the Doha agenda and progress is being made across the board. In some areas, services for example, the mood is positive and the level of engagement very high. As well, in more problematic areas, Members are continuing their constructive discussions and are making determined efforts to find solutions. I believe we can also take encouragement from the commitment of Members to maintain a high level of ambition and to finish the Round successfully and on time. Lowering expectations for the Round's outcome will not make an outcome any easier to reach; it could even make it harder.

Other encouraging signs include full engagement in the negotiations from almost all Members, developed and developing alike; tabling of ambitious proposals in many areas of the negotiations; clear evidence that Members are starting to make positive linkages in the negotiations; increasing engagement from senior officials and capitals along with growing support for initiatives to draw them even more fully into the process; and growing activism and involvement of Trade Ministers.

However, fundamental concerns remain and we cannot gloss over missed deadlines on important issues. To date, Members have been unable to agree on a system to enable access to essential medicines for poor countries lacking capacity to manufacture such drugs themselves, and they have been unable to reach agreement on special and differential treatment for developing countries. In addition, Members have been unable to agree on how to respond to outstanding concerns of developing countries with regard to implementation of Uruguay Round agreements. More recently, March and May deadlines have

been missed for agreeing on frameworks (modalities) for the negotiations in agriculture and non-agricultural market access respectively.

Nor can we pretend the setbacks have been cost-free. Failure to meet the deadlines on issues that were to be addressed before Cancun has simply postponed our work towards the Ministerial Conference. If understandings are not reached on at least some of these issues, Ministers may be faced with an unmanageable task at Cancun.

Road to Cancun

At the present time, more than a dozen issues remain outstanding for action before or at Cancun. Over the course of the next 42 working days, the challenge for our membership is to determine which of these issues need to be resolved before Cancun, and resolve them; determine which issues need to be advanced, and move them forward significantly, and, for issues still outstanding, prepare them thoroughly and present them to Ministers in Cancun in a clear and operational manner.

Against his background, let me comment on a few key areas of the negotiations.

Development Dimension. As mentioned, development issues cut across the length and breadth of the Doha process. Thus, whatever different emphases Members may have, the fact that so many deadlines have been missed is of particular importance to developing countries. It is essential to resolve TRIPS and Health.

Agriculture. The vast majority of delegations have made clear that without progress on agriculture—covering market access, export subsidies, and domestic support—overall progress in the negotiations will not be possible. This is an especially important area for developing countries and least developed countries. Indeed, as the Secretary-General has said, no single change would make a greater contribution to development and poverty alleviation than fully opening the markets of prosperous countries to goods produced by poor ones.

Overcoming the present impasse on modalities requires political direction at the highest level to trigger two developments: (i) prompt engagement of the major players in result-oriented negotiations, and (ii) simultaneous significant progress in other areas of the negotiations, particularly with respect to issues of special interest for countries on the defensive side in agriculture. I welcome the many positive signals from major players recently. For example, I believe the announcement made by EU agriculture ministers on CAP reform is an encouraging sign

Non-agricultural Market Access. As mandated, these are negotiations to reduce or eliminate tariffs, including tariff peaks, high tariffs, and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries. It was disappointing that Members were unable to meet the end-May deadline for agreeing on modalities in this area. Nonetheless, good progress has been made, some very ambitious proposals have been tabled, and there is every indication further progress will be achieved.

Expectations for Cancun

While the clock is certainly ticking, there are at least two reasons why I believe prospects for Cancun and for the Round generally remain very sound. First, despite the setbacks and continuing differences in positions, Members are still at the negotiating table, they are still talking to each other, and they are still deeply committed to the process. I would be much more concerned if dialogue had broken down.

Second, we have seen a remarkable rallying of support for the Round recently—from OECD Ministers, G8 leaders, APEC Ministers, and Ministers from other parts of the globe. Of course, the challenge is to turn rhetoric into real negotiating flexibility. However, the value and urgency of this Round—for economic growth, development, and multilateralism—has become increasingly evident to leaders the world over.

There are three objectives that Ministers need to fulfill in Cancun: (i) to take stock of progress (ii) to make crucial decisions, and (iii) to provide guidance, the road map, for the remaining 15 months of the mandated time for the Doha Round. Cancun is not the end of the Round but an important staging point. A good outcome is needed from Cancun to carry us forward successfully and to conclude the Round by 1 January 2005. This calls on Ministers to make important decisions and to give clear political guidance for the remainder of the negotiations. A “road map” can help focus the efforts that will be needed in the final year.

To get this outcome out of Cancun, there is an urgent need, as mentioned, to match general political commitment to the success of the Round with concrete action to reach necessary convergence in key areas. This will not happen unless we address the disconnect between commitment and delivery, theory and practice.

Clearly, putting together the right package for Cancun requires a willingness to make politically difficult choices and to seek compromises. What we have is a single undertaking on the table and not a collection of separate nego-

tiations. We need to use the framework of the single undertaking to find solutions to seemingly intractable issues.

I should like to conclude my remarks on the Doha Development Agenda by expressing deep gratitude for the support given to our processes by the UN system. I had the pleasure to attend the special high-level meeting of ECOSOC with the Bretton Woods institutions earlier this year and was able to observe first-hand the enthusiasm of this Council to work with us towards a substantive and balanced outcome of the Round, one delivering on the 'development' promise of Doha. I should like to acknowledge as well the consistent support we have received from the Secretary-General, who has not hesitated to speak out on sensitive issues like export subsidies and access to medicines. Also, the recent CEB statement on international trade, in which all executive heads of the UN system affirmed their support for the Doha Agenda and their willingness to work closely with the WTO, was extremely well received.

Rural Development

My final remarks concern the focus of this year's High-Level Segment on rural development. I believe this discussion is timely and important. The Secretary-General's report refers to the fact that three-quarters of the world's poor live in rural areas of developing countries and depend on agriculture and related activities for their livelihood. It will not be possible for the international community to achieve the Millennium Development Goal of halving poverty and hunger by 2015 unless our policies and actions address rural poverty. Nor will it be possible to attain the other Millennium Development Goals—in education, health, gender equality, and sustainable development—without significant increases in rural incomes, opportunities and social services.

We know the effort required to realize the Millennium Development Goals. First, developing countries and communities must take ownership of their own development; good development outcomes require good policies and institutions that are country-owned and driven. Second, the international community must rally itself, and urgently; the plain fact is that many of the poorest countries will not reach the Millennium Goals unless all development partners take decisive and coordinated action to support national efforts. Third, we must all work together to ensure a global economic environment that is conducive to growth and based on principles of openness and fairness.

Statement by Mr. Ibrahim Gambari, Under-Secretary-General and Special Adviser to the United Nations Secretary- General on Africa

It is a great privilege and honour for me to be addressing the High-Level Segment of the Economic and Social Council this year in my new capacity as USG & Special Adviser on Africa. I speak on behalf of Mr. K. Y. Amoako, Executive Secretary of ECA, who is unavoidably absent, but who has requested that I deliver a joint statement on behalf of ECA and the Office of the Special Adviser on Africa (OSAA).

The OSAA was established pursuant to General Assembly resolution 57/7, which underscored the need for a structure in the United Nations Secretariat in New York, at the appropriate level, to review and report on support provided by the United Nations system and international community for the New Partnership for Africa's Development. Established effective 1 May 2003 by the Secretary General, the main functions of the OSAA include supporting the Secretary-General's role on global coordination and advocacy on Africa as well as reporting to and servicing of the intergovernmental bodies at the United Nations headquarters on Africa-related issues.

At the World Summit on Sustainable Development (WSSD) in Johannesburg, the global community agreed, "that poverty eradication, changing consumption and production patterns, and protecting and managing the natural resource base for economic and social development, are overarching objectives of and essential requirements for sustainable development."

Rural Focus for Sustainable Development

Consistent with this view is the need to boldly revisit the challenge of rural development for sustainable development in developing countries. We need to do so for three main reasons. First, poverty is predominantly a rural phenomenon. IFAD's Rural Poverty Report 2001 tells us that three-quarters of all the poor of the world work and live in rural areas, and that over 60 percent of the poor will continue to be rural in 2025. Second, urban poverty and rural poverty are connected through strong backward and forward linkages between agriculture and the other productive and service sectors of the economies of most developing countries. As a result, urban poverty feeds on rural poverty through rural-urban migration induced by acute rural impoverishment. Third,

rural poverty is the most associated with lack of progress on all three pillars of sustainable development, i.e. economic growth, social equity, and environmental protection. Indeed, poverty is both a cause and consequence of poor economic growth. It prevents people from filling their basic needs for food, education, health, shelter, and employment. Rural poverty contributes significantly to the degradation of natural resources (especially land) and the environment, which in turn compounds poverty.

Why Have Governments and the International Community Failed to Deliver on Rural Development?

For some two decades, we have been giving up on rural development. In the 1960s and 1970s we focused our efforts on piecemeal projects aiming at developing single crops, agricultural credit, irrigation, agricultural extension, etc. Although those efforts contributed to increasing the production of some agricultural commodities and the income of the related farm communities, they failed to address rural poverty in all its dimensions, especially the social and environmental aspects of sustainable development. Likewise, comprehensive approaches to integrated rural development in the 1970s and 1980s did not meet our expectations in seriously tackling rural poverty. Indeed, efforts in this area were frustrated by several factors, including the lack of appropriate pro-poor technology, the lack of genuine participation and empowerment of rural communities and weaknesses in institutional capacity required to coordinate and implement the complex components (infrastructure, credit, extension, input supply, output marketing, health, etc.) of such projects.

But frustrations also stemmed mainly from attempts to implement these past initiatives within appropriate and deteriorating structural and macroeconomic environments. In Africa particularly, policies fueled by strong urban bias and marked propensity for hasty industrialization continued to exert excessive extraction from agriculture and the rural economy through implicit and explicit taxes, overvalued exchange rates, and an overwhelming public-sector control of agricultural input distribution and product marketing.

Major efforts at structural adjustment and policy reforms during the last two decades have contributed to correcting to some extent these drawbacks and to improve the policy environment and incentive sets for agriculture and the rural economies. Many countries have embarked on programs aiming at liberalizing input and produce markets, devaluating or liberalizing real exchange rates, and reducing fiscal pressure on agriculture. Yet, these improvements are taking place in a context of acute scarcity of the financial resources

and human and institutional capacity that are required to enable rural communities and other private-sector participants to seize the new opportunities offered by the new and evolving environment. With the dwindling of development aid and the overstretching of governments' budgets by unsustainable debt burdens, investment in sectoral (especially agricultural) and rural development has been considerably neglected and, consequently, declined over the last two decades.

Prime Movers (TIIP) for the Way Forward:

To meet the poverty-reduction targets of the MDGs, we need to focus squarely on some prime movers for rural development.

On the policy front, rural development should feature high on the agenda of the Poverty Reduction Strategies of developing countries. The aim here should be the promotion and support of community-based and driven development, to help local rural communities undertake and achieve their own development.

On the institutional front, we need to encourage and support the emergence and empowerment of decentralized, rural, community-based organizations. Rural communities and organizations must be entrusted with legal authority and adequate capacity to take full part in rural development matters such as contracting loans, initiating and implementing their own programs and projects, and so on. This entails the challenge of good governance.

The empowerment of rural communities is further called for if we are to bridge the gap in basic economic and social infrastructure required to support wealth creation, employment, and social welfare in rural areas. There is need for strong commitment to public investment in this area. Yet, even more can be achieved through public-private partnerships for consistent investment in basic infrastructure for production, market, transport, communication, energy and water.

We also need to strengthen international solidarity in pro-poor technology development, sharing, and transfer for the benefit of rural communities and people in developing countries.

However, none of these actions will yield a tangible long-term impact on poverty if we fail to address the central issue of the very survival and preservation of the human capital of the poor, particularly the rural poor in the most vulnerable regions of the world. In this regard, we all know that the HIV/AIDS pandemic is the greatest public health disaster of our age. Overcoming HIV/AIDS is a survival issue, not only for tens of millions of people in regions like

Africa, but also for our aspirations for overcoming poverty and hunger. HIV/AIDS is both a crisis and chronic condition in Africa. It is a crisis because of the speed of the spread of the epidemic and its interactions with other stresses and shocks. It is also a chronic condition because it impacts most heavily on the most productive sectors of the African economies, namely prime-aged adults. It is in recognition of the scale and urgency of this peril that the UN Secretary-General established the Commission on HIV/AIDS and Governance in Africa (CHGA) chaired by ECA, to respond to this challenge and its impacts on society by utilizing expertise within the UN and findings from new research.

Conclusion

In concluding, the challenges facing developing countries in their efforts at rural development, poverty eradication and sustainable development will only be met if the international community, particularly the United Nations, is able to produce a coherent and coordinated response. In the context of Africa, achieving economic, political and social sustainable development, particularly rural development, in order to meet the MDGs, while assuring that all development efforts place improving the lives of African people at their center, will require strategic and holistic support. The attainment of this over-arching objective is most closely linked to the fate of the rural poor in Africa. Accelerated rural development is essential. Without sustained investment, support and attention to the needs and development of the rural poor and the marginalized, especially women and children, the achievement of various conference goals as well as the MDGs will be severely limited.

***Statement by Mr. Anwarul K. Chowdhury,
United Nations Under-Secretary-General
and High Representative for the Least
Developed Countries, Landlocked
Developing Countries and Small Island
Developing States (OHRLLS)***

The 700 million people living in the least developed countries represent the poorest part of the world population. A majority of them live in rural areas. The Brussels Programme of Action (BPoA) for the Least Developed Countries, (LDCs) for the Decade 2001-2010 recognizes the pivotal role of rural development for the LDCs. It emphasizes that “lack of food security is the most typical face of poverty for both urban and rural people in LDCs. Some 70% of the poor and food insecure are rural dwellers, many of whom are small farmers who produce on the brink of survival, or landless people trying to sell their labour.”

Rural development is an integral part of the Brussels Programme. It is based on the principles and objectives of the Millennium Declaration. Commitment 4 of the Programme focuses on “Building productive capacities to make globalization work for the LDCs” and contains specific recommendations to the LDCs and their development partners in the area of rural development and food security.

In order to eradicate poverty and hunger, agricultural productivity needs to be raised. However, the LDCs represented only 5% of global agricultural production in early 1970s and that went down to less than 1 percent in the late 1990s due to the sluggish growth in agriculture and fluctuations in agricultural output and prices. Increase of agricultural production must equally be accompanied by its diversification and competitiveness and supported by rural research and credit and marketing services that ensure better coordination between various stakeholders in the development of rural areas. The Secretary-General’s report states that a reversal of the decline in the proportion of ODA going to rural areas and agriculture is vital for strengthening the rural economy in the LDCs. It also mentions that debt relief for LDCs is an important means to mobilize resources for poverty eradication in rural areas.

Access to productive assets of poor rural people, especially women and smallholder farmers, needs to be enhanced. These productive assets include

land, water, and other natural resources. Additionally, there is a need for increased access to financial services in rural areas, including microfinance, savings and insurance facilities, and appropriate technologies for rural communities.

In LDCs effective rural development ensures better access to education, health, and social services for their rural populations. Existing data show that 19 out of 33 African LDCs have maternal mortality rate above 1 per 100 live births. One-quarter of the children in 33 out of 43 LDCs are undernourished.

Moreover, rural development empowers poor people by providing them access to land, water, energy, services, and markets. It also ensures participatory decision making, capacity building, strengthening of democratic institutions, decentralization of power, and better governance. Enabling poor rural people to have a larger voice in decision-making processes on resource allocation will empower them to begin to overcome poverty.

Broad based, all-inclusive and sustainable rural development is impossible without the empowerment of women. They play a very special role in rural development, as users and managers of natural resources. This role derives from the primary responsibility of women for food security, water, fuel, and family welfare in their households. Such empowerment of women could contribute positively to good governance. Furthermore, women and girls carry out most of the food production in many areas and must play a key role in any rural development plans. They must have the right to own and inherit land and to have a say in the distribution of their production. The education of girls pays a particularly high rate of return, improving the health and well-being of their future families, and enabling them to take a leadership role in their communities. The Brussels Programme for the LDCs refers to microcredit as a relevant and powerful engine for employment creation, poverty eradication, and reduction of gender inequality.

Making rural development work for the poor requires the liberalization of agricultural trade. It means reducing trade barriers, phasing out agricultural subsidies in developed countries, and minimizing the effects of commodity price fluctuations. As stated in the Secretary-General's report, emphasis needs to be placed on practical ways of increasing agricultural and food production in a way that promotes food security and nutrition improvement, taking into account specific economic status and characteristics of each country. In particular for the LDCs, augmenting staple production merits special emphasis, since in the early stages of development, cultivation of staple foods and/or off-farm employment provides most of the income of the poor.

Genuine partnership of all stakeholders is crucial for an integrated approach to rural development. Civil society and NGOs have already proved to be active partners of the governments in poverty reduction, agricultural production, food security and development programmes. Public-private partnership has also been very fruitful in ensuring technological progress and innovation in a number of areas such as agriculture, water and land development. This partnership needs to be fostered and further developed.

In concluding, I would like to re-emphasize the importance of international partnership in the development of rural areas in the LDCs. As the report of the Secretary-General points out, the development partners need to provide sufficient development assistance, especially for the productive sectors and debt relief. There is an urgent need for eliminating supply-side constraints at the national level in LDCs and increasing their productive capacities.

Recognizing that poverty affects a substantial proportion of rural households, national and international poverty reduction strategies need to target rural areas and households by integrating poverty eradication and food security objectives more firmly into Poverty Reduction Strategy Papers, the common country assessments, and the United Nations Development Assistance Framework.

Rural development can be an engine of the LDCs, with international co-operation. Appropriate policies and support measures by the international community could reduce the economic vulnerability and thus accelerate socio-economic development in the LDCs. Very rightly, the Secretary-General emphasized at the General Assembly last September: "Only by multilateral action can we give people in the least developed countries the chance to escape the ugly misery of poverty, ignorance and disease."

Statement of Ms. Thoraya Ahmed Obaid, Executive Director of the UNFPA

It is quite clear that we will not be able to achieve internationally agreed development goals, including the Millennium Development Goals, unless rural poverty is urgently addressed.

Today, two-thirds of the world's poor live in rural areas and a majority are women. Therefore, to be effective, rural development must be approached in an integrated, gender-sensitive manner that directly addresses the factors that cause and aggravate poverty among women and families. We must work together for mutually reinforcing policies and programmes that strengthen the rural economy, enhance social development, and increase the sustainable use of resources. And, perhaps most importantly, we must focus on efforts that empower the rural poor, especially women, so that they can be active stakeholders in development.

Today, in many rural communities, women are struggling to raise their children and their crops with very little support, and there are increasing numbers of female-headed households. In some communities, rapid population growth has put increased pressures on fragile local environments and there is less and less land for families to farm. These are issues that must be squarely addressed.

To break free from poverty, rural women need increased access to land and water, training, credit and markets, and greater participation in decision-making. Development efforts must recognize and support the significant contribution of rural women to food and agricultural production, food security, and household well-being. There is also a great need to expand income-earning options through microenterprise. In all areas, the rights of women must be secured.

In particular, the right to enjoy reproductive health is crucial for rural development and for reducing extreme poverty and hunger in line with the Millennium Development Goals. Universal access to reproductive health services is absolutely essential for meeting the MDG targets for slowing the spread of HIV/AIDS, reducing maternal and infant mortality, and ensuring sustainable development. To reduce rural poverty in its many dimensions, we must expand individual choices and opportunities.

Today, many poor women, especially in rural areas, cannot make basic choices about pregnancy and childbearing. In most cases, rural fertility is higher

than urban fertility because there is less access to health and family planning services. There are currently 120 million couples that want to space the births of their children or stop having children that are not using contraception. The percentage of births assisted by skilled attendants, and access to emergency obstetric care, are lower in rural areas than in cities. All of these factors lead to high rates of maternal death and disability, which drives rural families further into poverty. Today, complications of pregnancy and childbirth are the leading cause of death and disability for young women in the developing world.

Adding to the poor health of women and families is HIV/AIDS, which is striking a fearsome blow in rural communities. Increasingly young women are the most vulnerable to HIV infection. In addition, the burden of care is falling disproportionately on women, who are already overworked. Yet, in many countries that are hard-hit by AIDS, irresponsible sexual behaviour still prevails, forgetting that the United Nations Special Session on HIV, held in 2001, adopted the ABC approach (abstinence, be faithful, condom) for HIV prevention. Where abstinence is not an option, then the use of condoms is the way to curb the disease's spread, but it remains alarmingly low. Therefore there is a great need to expand access to reproductive health services, including maternal health care, family planning, and HIV prevention. Improving reproductive health and gender equality is key to integrated rural development.

In conclusion, we must all recognize that poverty reduction strategies must target and involve rural households, especially women. We must also recognize that increased financial support from donor countries, especially to the least developed countries, remains essential to improve reproductive health, slow population growth, and reduce poverty. UNFPA firmly believes that investing in reproductive health and promoting gender equality is a cost-effective strategy to improve the lives of all, especially the rural poor.

Statement by Mr. Lennart Båge, President of the International Fund for Agricultural Development (IFAD)

Agriculture and rural development have been neglected for far too long and I am pleased to see that this trend is now reversing.

Twenty-five years ago, when my organization, IFAD (the International Fund for Agricultural Development) was established, the looming global food deficit was the mobilizing force for action. Today, when we have a daily global food production of 2,800 calories per person, and subsidies to some OECD farmers *not* to produce, the challenge is a different one. What is now calling us to act is the fact that despite an abundance of food, poverty and hunger are rampant. The call to us today is about human dignity and equity, about poverty being fought with new opportunities for a better life.

The first prerequisite is a global consensus of the task ahead. The first element of such a consensus is put in place by the Millennium Summit and the Declaration with its key goal of halving hunger and poverty by the year 2015. The Millennium Development Goals are now the recognized legitimate framework for action.

The second element is yet to be put in place. As has been stated repeatedly, the majority of poor are rural. So, if we are to reach the Millennium Development Goals, we must make an impact on rural poverty. In most poor countries, agriculture is the main economic sector, the largest employer and job creator, and the biggest export earner. When we look at the history of 19th-century Europe or United States, or 20th-century Japan or other miracle economies in South East Asia, or China in the last 20 years, we see that reforms in the agricultural sector have been the foundation for overall economic development and poverty reduction. It has been the often-dramatic progress in agriculture, translated into productivity increases, that has generated increased production, income, savings, investments, and demand for goods and services to create the virtuous circle of development. This is particularly important for poor, institutionally weak, developing countries, where broad-based agricultural development brings welfare gains and equity to large sections of the population—in a way that single-source commodities such as oil or diamonds cannot always manage to achieve.

Now what is lacking? Most aid donors and many governments still have not recognized the centrality of agriculture for development. We have to re-

establish in the general debate on development the fundamental knowledge that poor countries must increase productivity in small farmer agriculture to be able to fight hunger and poverty and to develop. But it is not enough that governments and aid donors re-engage. Small farmers actually constitute the core of the private sector in many developing countries. They constitute the future producers and consumers of the modern world. Investments in this development is not just charity—it is enlightened self-interest.

Every dollar of increase in agricultural production generates more than two dollars for the national economy, according to the most recent studies. Despite the obvious relevance to overall development and poverty reduction of investments in rural and agricultural development, the share of overseas development assistance that goes to agriculture and the rural sector has been steadily falling, not rising. In fact, it has declined by nearly half since 1988. Today, only 8 percent of developed countries' total overseas development assistance goes to agriculture. This has to change if we are to reach the MDG of halving world poverty by 2015.

Today, we have the benefit of decades of experience of what works and what doesn't. IFAD has engaged in more than 600 projects and programmes with a total value of over USD 20 billion, reaching some estimated 200 million rural poor. Based on this experience, key factors for rural development are:

- Secure access to assets, in particular to land and water. A person without access to land will have difficulty securing credit or planning for the future. Water scarcity is the fastest growing problem in large parts of the developing world. Water stress and land degradation go hand in hand, and we need to vigorously address the causes of desertification and land-degradation and strengthen our resolve to implement the Convention to Combat Desertification.
- Markets, to buy and sell. The world is rapidly moving beyond subsistence farming and we have to make it possible for poor women and men to have greater, more efficient, and more equitable access to markets, locally, nationally, regionally and globally. Much progress on removing obstacles is needed on all levels. Even for the small remote woman farmer, what happens in the Doha Round greatly affects her ability to sell at the local market.
- Access to finance, the ability to save and borrow without necessarily turning to the village money-lender. Microfinance is one proven successful approach. Villages need locally owned savings and loans

associations to harness the development potential of rapidly growing remittances, now twice the size of ODA.

- Access to technology and research that responds to their problems.
- Access to accountable, non-corrupt institutions. The poor need effective political representation, more bargaining power, and organizations that represent their interests. Institutions and organizations for, of, and by the poor. They must be allowed to be the actors—the subjects and not the objects of charity. We know that poor people seize every opportunity to get a better life for themselves and their families. Our role is to provide such an opportunity.

All this is compounded by the challenge of HIV/AIDS, in particular in parts of Africa where a generation of farmers is disappearing. HIV/AIDS is now more a rural than urban problem and 7 million active farmers and farm workers have already died. Its impact on agriculture is devastating. Teenage-headed households are increasing, and the number of orphans is daunting. The role played by rural women must be especially recognized. Their social, economic and political marginalization, in spite of the fact that they are the prime actors in agriculture, must be addressed.

For us to address these needs, we need to argue for greater attention to the centrality of agriculture for national development. The OECD countries have to reverse the declining trend in ODA funding for agriculture. We are now starting to see examples of this. Canada has just announced a plan to increase five-fold its spending on agricultural development in developing countries. USAID is also reversing the declining trend. European countries are revising their policies. G8 is taking an interest. I welcome the G8 declaration from Evian where G8 countries undertook to work towards reversing the decline of ODA to agriculture. It is a good beginning. More must follow. After 15 years, agriculture is coming back to the development agenda. This meeting confirms this hopeful trend. It has to be sustained and I welcome that ECOSOC will hold us to account by reviewing progress in 2005.

To conclude, I believe that the High-level Segment will be a milestone if it results in a greater understanding of the role and significance of agriculture and rural development for poverty reduction; a strengthened commitment to increasing funding for agriculture and rural development; and the establishment of a mechanism to hold us to account by monitoring and reporting progress on implementation of our commitments.

Statement by Mr. James T. Morris, Executive Director of the WFP

Three out of four poor people in the developing world live in the countryside. Even with projected population shifts to urban areas, 60 percent of poverty will likely remain rural in 2020. Yet the trends have shown a significant decline in official development assistance (ODA) for agriculture, the driving force in rural growth and poverty reduction.

The World Food Programme stands today with our colleagues in the other Rome-based UN agencies in calling for a reversal of that trend. Fortunately, there are some positive signs that this message is being heard. Some donors, such as the UK and US, are increasing their financial commitments to rural agricultural development. The World Bank has released a new strategy on rural development. All the governments represented here today should commit themselves to devoting greater resources for agricultural and rural development.

I would like to focus the balance of my remarks on the question of hunger, a critical issue in the link between poverty eradication and sustainable development. Too often the world views the issue of hunger reduction only in terms of its humanitarian impact. Indeed, the humanitarian impact of hunger is large. Nearly 800 million people are chronically hungry, about 300 million of whom are children. Almost 200 million are hungry in Africa alone, with about 40 million in need of emergency food assistance. Over half of all deaths of children under five are attributable to some degree to hunger and malnutrition. In a world of plenty where there is enough food available to feed us all, these numbers are unacceptable on humanitarian grounds alone.

But it is not just this moral imperative that should motivate our efforts to end hunger. Hunger has a severe negative impact on development, particularly in rural areas. Its costs can be measured in dollars and cents of lost output as well as lives lost or destroyed. Hunger is the ultimate threat to sustainable development. Children who go hungry in the first five years of their life are stunted in their physical and mental development, effects that reduce their economic productivity throughout their lives.

“Food for growth” is not just a slogan; it is a biological and economic reality. FAO, in its AntiHunger Programme, notes that preliminary estimates suggest that if the World Food Summit goal of 408 million undernourished people by 2015 is achieved, instead of the 610 million that will result if “busi-

ness as usual” continues, the economic value of the extra years of healthy life should be more than \$120 billion per year. And this is pro-poor growth, as the primary beneficiaries of the income produced from these extra years of productive life are the hungry poor.

Hunger starves not only people but their prospects for development. You cannot eat today with money you hope to earn next year. Therefore, when hunger comes through disaster or war, the choices facing the hungry poor are often cruel—starve today or sell off assets (livestock, land) or defer opportunities, such as education for your children, which offer your only hope of a better tomorrow. Meeting the immediate food consumption needs of the hungry in emergencies is therefore not just a humanitarian gesture; it can also serve as a “safety net” and insurance scheme against complete loss of household economic gains achieved by development efforts of the past.

The negative impact of hunger on rural development is clear. The actions needed to reduce that impact are more complex and multi-faceted, but, in the end, equally clear. More money for agriculture and rural development, both from national resources of developing countries and development aid from the developed world, is one part of the solution. But vigorous and creative programmes of direct assistance to the hungry today are an equally important need. Let us join together to ensure the success of programs like the following:

- Food aid to preserve both lives and livelihoods in emergencies;
- School feeding programs to save parents and children, particularly girls, from the unfair choice of whether they eat today or pursue education for tomorrow;
- Food for training so poor people can meet their food consumption needs of the present and develop skills that increase their income-generating potential;
- Food for mother and child nutrition programs targeted to reduce low birth weight and early childhood malnutrition; and
- Food for HIV/AIDS orphans, so the impact of this pandemic is reduced for families affected by this terrible disease.

We can build a better future with food assistance for rural development. The World Food Programme hopes the conclusions of this high-level ECOSOC discussion will embrace this future and help restore an international consensus on the role of food aid for development.

Statement by Ms. Anna Tibaijuka, Executive Director of UN-Habitat

Although more than 60% of people in developing countries still live and work in rural areas and a significant proportion of them live in abject poverty, we live in an era that is experiencing very rapid rural-to-urban migration. In the last 40 years, Latin America has experienced a rapid rate of urbanization such that today 75% of the population lives in urban areas. Over 30% of Latin American urbanites live in slums, called *favelas*. Asia, which is home to 80% of humanity is also urbanizing and currently 36% of Asians live in cities. Some of the world's biggest metropolises such as Mumbai, Calcutta, Bangkok have over 10 million people, and between 1/3 and 1/2 of them are in slums. Africa is a bigger challenge because it is the fastest urbanizing continent. Pushed both by rural poverty and decades of civil strife and conflict, 37% of Africans are already in cities and more than half of them live in slums. Our projections show that by 2030 Africa will cease to be a rural continent, as over 50% of its population will be in cities and towns—this is in a matter of one generation.

While people move to cities in search of better opportunities, poverty and hardships in rural areas tend to accelerate rural-to-urban migration and lead to problematic premature urbanization. The rapidity and enormous volume of this rural-to-urban population transfer intensifies slum formation as the city planning and management system is unable to adequately cope with the massive population influx. This exacerbates the urban slum housing crisis we experience today. Currently, 50% of humanity lives in urban areas. Nearly 32% of the world's urban population lives in slums, and in developing countries 43% of the urban population are slum dwellers.

In livelihood terms, a significant proportion of the new urban population, especially women, engages in urban and peri-urban food production, for subsistence, making irrelevant the discrete dichotomy between economic activity in rural and urban areas.

Considering the inter-relationship of these forces, it is my view that development should no longer be cast in discrete rural and urban contexts but rather be contextualized in balanced territorial development terms and integrated rural cum urban development strategies through developing and strengthening intermediate-sized secondary and tertiary towns and rural service centres that serve to add value to rural products and generate non-farm incomes as agricultural productivity rises. In other words, cities and towns are the growth

nodes around which rural development has to take place. City economies are an essential part of the equation in our search for sustainable rural development.

I sincerely hope that the deliberations at this High-Level Segment will contribute to tackling the twin problems of rural and urban poverty and underdevelopment in developing countries in a more coordinated way. I very much look forward to the outcome of this ECOSOC session.

Statement of Mr. Antonio Maria Costa, Executive Director, United Nations Office on Drugs and Crime

I appreciate this opportunity to draw to the attention of the international community the connections between sustainable development and integrated rural development and the mandates of my Office, which are illicit drugs, transnational crime, corruption, and terrorism. The links are not always clear and there is a tendency among development protagonists to shy away from such “nasty” issues.

Illicit drug crop cultivation is undertaken in only a small percentage of the world’s rural areas. However the impact of this activity is experienced around the globe—not only by those who abuse drugs but by society at large. The cultivation is sponsored by criminal elements, which provide credit to the farmers and pay them relatively well for their crops. The money generated through the trafficking process ends up being laundered and/or is used to support subversive or terrorist activities.

Illicit crops are mainly cultivated in remote areas that have been largely ignored in national and international development plans for a number of reasons, usually because they are known as “difficult” regions. Conflict is often involved and the moneys gained from the illicit drug trade are used to fuel these conflicts.

The link to development is the effort to eliminate illicit crop cultivation while promoting legal and sustainable livelihoods for those involved. An approach that has evolved over the years is termed “alternative development.” This is more than crop substitution, and a great deal more than crop eradication, which, if carried out in isolation, without the support of development initiatives, can plunge the affected populations into deep poverty and exacerbate violence and insurgency.

The General Assembly has defined alternative development as:

- Specifically designed rural development measures;
- In the context of sustainable development and national economic growth;
- Recognizing the particular socio-cultural characteristics of the target communities; and
- Within the framework of a comprehensive and permanent solution to the drug problem.

It is therefore essential during the transition from illicit to legal livelihoods, that development aid and support is sustained to cover loss of income and prevent relapse or relocation. These communities need not only basic social services, education, health facilities, and infrastructure, but also supportive policies on land tenure, markets and prices, and rural institutions to include credit, as well as strengthening the rule of law and good governance.

We are here to talk about rural development, and I must stress the fact that the pockets of illicit drug crop cultivation and the big business of criminality connected with it are undermining peace and security in the world. Crime has become globalized, nurtures and feeds on corruption, undermines whole economies, and connects to terrorism through money laundering and dirty financing.

The bottom line is that if we do not all, uni-, bi- and multilaterally, undertake to share the responsibility to address these negative influences effectively, sustainable development can never be achieved.

Statement by Mr. Carlos Magariños, Director-General of the UNIDO

The Millennium Development Goal of halving world extreme poverty and hunger will not be achieved without a special focus on rural development. Taking into consideration that rural areas are lagging behind urban areas in meeting every single one of the MDGs, rural development needs to be placed high on the development agenda.

Rural development must be regarded as a key element of strategies to reduce poverty and create income and employment opportunities in developing countries. UNIDO attaches great importance to the issues of integrated rural development and has gained significant experience in this field.

I would like to thank the Secretary-General for the report "Promoting an integrated approach to rural development in developing countries for poverty eradication and sustainable development." This report properly incorporates all discussions and findings during the preparatory process, gives comprehensive review and analysis of integrated rural development, and contains useful and practical recommendations. I am happy to say that UNIDO's approach and position are reflected in the report of the Secretary-General.

The dynamic transition from agricultural to industrial production is a major driving force of economic and technological transformation. In this context, the diversification towards rural non-farm activities, initially based on the processing of natural resources, is of crucial importance. The promotion of decentralized industrial development patterns can stem rural-urban migration, bring employment opportunities to rural areas, and reduce regional income disparities, thus building equity concerns into the economic structure and fighting poverty at its very source. Therefore, emphasis needs to be placed on building up and strengthening productive capacities through micro, small and medium enterprises, a process in which women in rural areas play an important role. The main challenge is to stimulate income-generating productive capacities with a view to promoting sustainable local markets.

I am confident that through active and constructive participation in the High-Level Segment we shall manage not only to provide useful recommendations for integrated rural development but also to establish a viable framework for their implementation.

Concluding Remarks of H.E. Mr. Gert Rosenthal, President of ECOSOC

We have reached the conclusion of our substantive session of 2003, and it falls to me to provide a brief summary of our meeting. This may be premature, since the session has been long and intense and we should let the results settle before passing final judgement. A number of tangible achievements can, however, already be pointed out. They come in two forms: first, as the results of the substantive meeting and second, as inputs that may contribute towards strengthening our debate. I will touch on both.

Allow me to say, first of all, that I think we can feel satisfied with this session's achievements, which have been many and productive.

We had a good dialogue with our colleagues from the World Bank, the International Monetary Fund (IMF), the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD). Maybe because we are nearing the date of the ministerial meeting in Cancún, or maybe because the Secretary-General of UNCTAD, Mr. Rubens Ricupero, focused it so eloquently, this year our dialogue was dominated by the Doha agenda, with emphasis on the urgent need for developing countries to enjoy greater access to markets in the industrialized countries. It is worth noting that we were able this year to coordinate the dialogue with the topic chosen for the High-Level Segment, and the question of trade in agricultural products therefore received special attention. I would also like to point out that, in a sense, this dialogue marked a new stage in the ongoing communication with our partners, which gained impetus this year at the meeting of 14 April, and which will be the subject of further consultations during the high-level meeting to be held within the framework of the General Assembly in October.

In my view, the High-Level Segment was extremely successful, both in substance and in form. As for substance, we put rural development back on the priority agenda—where it belongs—within the framework of the achievement of the United Nations development goals for the millennium. We also set out a conceptual framework which placed rural development in a much wider and more integrated context, providing for actions at the local level to be coordinated with policies at the national level. All this was reflected in a brief but meaty ministerial declaration. As for form, we had a genuinely interactive debate, at the round tables and in particular at the working breakfasts organized by various agencies. Lastly, I wish to draw attention to the high level of gov-

ernmental representation, to the fact that the main United Nations agencies concerned with these matters were represented by their top officials, and to the fact that we attracted many representatives from the non-governmental and business communities.

The operational activities for development segment, under the leadership of my colleague Abdul Mejid Hussein, the Permanent Representative of Ethiopia, yielded excellent results this year. I was impressed by the quality of the debate that occurred at the round tables, attended by representatives of donor countries, programme countries, and officials of United Nations programmes. We broached one of the most critical topics for the operational activities of our Organization—the shortage of core resources—and we adopted decisions that will facilitate our consideration of the 2004 triennial policy review of United Nations operational activities. I would like to thank Ambassador Mejid Hussein and those who worked with him for having organized this segment with such dedication.

The coordination segment, under the leadership of my colleague Murari Raj Sharma, the Permanent Representative of Nepal, was able to build on the efforts of the Ad Hoc Working Group of the General Assembly on the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields. You will recall that the General Assembly approved the work of that body in resolution 57/270 B of 23 June 2003. The task here was to review the role of the Economic and Social Council in the context already approved by the General Assembly, and this was the aim of the document that emerged from that segment. Again, my gratitude to Ambassador Sharma for his outstanding work.

My colleague Valery Kuchinsky, the Permanent Representative of Ukraine, chaired the humanitarian affairs segment. As you know, although this segment was introduced into our activities as recently as 1998, its importance has been growing year by year. Here, and thanks to the strong support from the Office for the Coordination of Humanitarian Affairs (OCHA), we have taken a qualitative step forward in linking together the emergency, reconstruction and development phases of United Nations humanitarian activities, and in identifying ways of funding them. The level of the dialogue at the round tables was exceptional and the document that emerged might even be considered a blue book for the field activities of the United Nations providing humanitarian assistance to developing countries. I would like to thank Ambassador Kuchinsky and those who worked with him for their tireless efforts.

With the start of the general segment, chaired by my colleague Marjatta Rasi, the Permanent Representative of Finland, the pace of our work changed somewhat. Instead of focusing on one or two unifying themes, we had a broad range of issues to consider, and little time to do so. Nevertheless, hard work was done in unofficial consultations and informal informals, and due attention was given to all topics, most of which we wrapped up. I am pleased to note that, unlike in past years, very few topics are left to be addressed in our resumed session. As I said, we considered a great number of topics in the general segment: some routine matters, such as the consideration of reports from the functional commission, and others more unusual. It makes no sense to list all the results of these meetings, but I would like to highlight some that I consider to be especially significant.

For the first time in many years, the General Assembly was asked to create a new specialized agency: the World Tourism Organization.

A scenario is beginning to take shape for Council support to African countries emerging from conflict situations. We noted the role played by the ad hoc group on Guinea-Bissau, and created a new group for Burundi.

We continued to play a special role in the work of follow-up to the Monterrey Consensus, as envisaged in the resolution on financing for development.

On this occasion, the Economic and Social Council showed particular concern for the most vulnerable countries—the Least Developed Countries (LDCs) and the Small Island Developing States (SIDS) in the High-Level Segment, in the consideration of follow-up to the Brussels Action Plan, and in the selection of the topic for the High-Level Segment of the 2004 substantive session.

The status of women was also a predominant concern, reflected in various ways: again in the High-Level Segment, in the resolutions on gender-mainstreaming, and in the review of the Statute of the International Training and Research Institute for the Advancement of Women (INSTRAW) for the purpose of revitalizing that institution. In addition, the topic of gender mainstreaming was chosen for next year's coordination segment.

Along those same lines, we are incorporating into our work a concern with combating AIDS.

My thanks to Ambassador Rasi and those who worked with her for their outstanding work in leading the general segment.

The last four weeks have taught us lessons in how to improve our work and to strengthen the Economic and Social Council. This was the first time in my professional life that I have had the opportunity to attend an entire session, and that prompts me to formulate some additional comments. As I said at the outset, this may be premature. I mean to do so when we return to New York; first, at the Bureau level, and later, if you will allow me, I would like to share my thoughts with all of you. What interests me is drawing lessons from this experience in order to solidify what works well and to improve what may still need improvement.

Finally, I cannot conclude this statement without expressing my deep gratitude to: the Government of Switzerland, for everything it has done for us; the Secretariat, for its substantive and logistical support; all the participants in our panels and round tables, some of whom traveled far to join us here; the conference officers and interpreters, whose outstanding work we appreciated, even if they abandoned us once or twice at critical moments because it was after 6.15 p.m.! the facilitators, without whose work it would have been impossible to reach agreement on so many topics; my colleagues on the Bureau; the representatives of non-governmental organizations and the business community; and the representatives, for your enthusiasm, flexibility and constructive attitude.

■ Appendix II

NGO Contributions

Statement by Franciscans International

In order to promote “an integrated approach to rural development in developing countries for poverty eradication and sustainable development,” Franciscans International makes the following recommendations based on the NGO strategy session held in preparation for the High Level Segment and on *Best Practices in Poverty Eradication: Case Studies from the Field*, a report issued by the NGO Subcommittee for the Eradication of Poverty, of the NGO Committee for Social Development, which Franciscans International chairs.

People in rural areas must be empowered and given adequate resources to take charge of their own development. Human capacity building is essential, and must include skills in community organizing and leadership. Governments should use community structures already in place and partner with rural NGOs in their development policy. While national budgets should reflect the urban/rural population ratio, governments should approach the development of urban and rural areas as complementarities and not as competitors, fostering linkages among communities. Initially, governments may have to direct more funding to rural areas that have little infrastructure or access to services and markets.

Rural development must take into account the special circumstances of specific groups, including indigenous peoples, women, youth, and older persons. Due attention must be paid to the practice of collective land ownership in indigenous communities. The rights of indigenous populations to land must be guaranteed, and their traditional knowledge, particularly in healing, should be validated and supported. Indigenous youth must have access to education and job training. Development programs fostered from outside the community will not be as successful as those designed and implemented with the full participation and inclusion of local leaders and community members, including women and elders. It is of utmost importance to respect and include the participation of indigenous community members, especially in decision-making processes.

Women and girls do the majority of food production in many areas and must play a key role in any rural development plans. They must have the right to own and inherit land and to have a say in the distribution of their production. The education of girls pays a particularly high rate of return, improving the

health and well-being of their future families, and enabling them to take a leadership role in their communities. Education enables women to increase their economic productivity, improve their self-confidence, provide a more wholesome environment for their families, participate in decision making, and become community leaders. Developing countries cannot afford to ignore the skills and talents of half of their citizenry.

Capitalizing on the collective strengths of rural women is an effective strategy for governments. It means providing rural women with the needed infrastructure for water, energy, basic health care, easy access to microcredit, adult literacy programs, training for capacity building, and transfer of useful technology. Rural women should be involved in the planning, implementation and monitoring of every project and program governments undertake on their behalf and on behalf of their communities.

HIV/AIDS is a threat to rural development. Recognizing that as education increases, HIV/AIDS infections decrease, Kofi Annan has written of the "education vaccine" for AIDS. Poor girls in rural areas, who are the least likely to receive primary education, will be the most vulnerable to AIDS. This will have a major impact on future food security, as girls and women become unable to farm because of their own illness, or because of caring for other family members or orphans.

Job training and employment opportunities are especially important to make sure that assets of the young are not lost to the cities. Income generating projects that provide a sustainable livelihood are essential. Relevant education is key to technical, social and sustainable development in rural areas: for self-respect; for job training; for community empowerment; for family improvement; for capacity building; for specific knowledge; for technological literacy, etc. Distance learning, information and communication technology, and other creative educational methods will make higher education more available and should focus on the environment and building a sustainable future. Capacity building among people living in poverty and among young people will go a long way toward creating a sustainable future.

The resources and contributions of elderly people to both family and community must be recognized and valued. Recent international trends affecting families have put increasing responsibilities on the older population in rural areas. Many senior citizens are responsible for their grandchildren at a time when they are little able to provide for their own economic needs. In some villages, people in their prime productive years have been devastated by AIDS, leaving the elderly and young to step in and fill the gap. Essential support

must be available to older people in rural areas, as they continue to play a vital role in community life. Their wisdom and experience makes their participation in all stages of poverty reduction and development plans essential.

We recommend significant, concrete government programs to redistribute ownership of fertile land, so that those living in rural poverty can contribute to food security and poverty eradication. Research into water harvesting, drought-resistant seeds, dry farming techniques and other aspects of sustainable agriculture must be encouraged, and the results shared in systematic education outreach.

Building a well developed, integrated infrastructure is essential: information infrastructure will give farmers access to regional prices, weather forecasts, and new techniques necessary to address climate change and desertification; improved roads will increase access to markets and health care, provide construction jobs and allow tourism; and basic social services such as water and electricity will increase productivity and overall quality of life.

Governments must understand that true development projects are always for the long run; they must assume responsibility for long-term financing, continuity, and involvement. True development projects address the core of the problem, not just the symptoms. Rural development can only thrive in a climate of social stability, free of corruption, war and political intimidation.

We encourage governments to partner with local community organizations that know the people, rather than with large organizations that might be more convenient to work with but are not part of the rural community. People who live in conditions of poverty must be part of program design and development.

Sometimes relationships between governments and NGOs are not easy to negotiate, but such partnerships are essential for the highest level of successful rural development. Any mistrust, aloofness or corruption must give way to cooperative partnerships in which governments and NGOs facilitate and support each other as they work to eradicate poverty and create sustainable development in rural areas. Good governance is a prerequisite.

Governments should recognize the differing but complementary roles that NGOs and governments themselves can play in rural development. Governments are encouraged to share relevant information regarding rural development goals, projects, assets and problems with NGOs, and to involve local NGOs in planning programs. Governments should engage in development processes that are transparent and accessible, especially to small, rural NGOs.

Governments should tap the expertise of NGOs and include them in monitoring, evaluating, and analyzing rural development projects.

In addition to the national and community development strategies suggested above, international financial institutions (IFIs) play a key role in rural development. IFIs cannot pressure developing nations to cut essential development projects or social services in order to service unsustainable debts. Trade subsidies that protect northern agribusiness at the expense of farmers in developing nations must be eliminated.

The NGO community urges ECOSOC to pay greater attention to the fact that while macropolicies, especially of the IFIs, have helped strengthen the overall economies of some of the developing countries, they have not helped improve the lives of those who live in the poorest conditions in those countries. An *integrated approach* to rural development, both at the state/national and international levels, must have macro and micro development policies that work in unison.

Statement by the Organization for Industrial, Spiritual and Cultural Advancement International

The Organization for Industrial, Spiritual and Cultural Advancement (OISCA) International is an NGO with its headquarters in Japan. Since the 1960s, we have worked for the progress of rural communities in dozens of developing countries, and are currently designated as the Coordinator of the UN NGO Informal Regional Network for the Asia-Pacific.

Based upon our four decades of field experiences in rural development and poverty alleviation, we urge the UN system to pay special attention to the following points:

Respect uniqueness of localities. Development efforts should not be deductively imposed but should fully reflect the specific conditions of local communities. The factors that determine outcomes—such as geographic, climatic and biological environments; socio-cultural traditions and patterns; and economic potentials and constraints—are all variables specific to a given case. Hence, what is effective in one case may not work elsewhere, even when both cases belong to the same country or one region within a country.

Incorporate participatory and experiential learning. Conventional education, based on lectures, textbooks and tests, is usually conducted in classrooms and removed from the students' real lives. Materials presented are often irrelevant to local situations and locally significant skills are not taught. Whereas basic knowledge like literacy and numeracy should be universal, OISCA observes that those who attain knowledge may not necessarily have such qualities as the commitment to contribute to the welfare of their own communities, nor the practical skills needed to be productive in them. Without the concrete skills and commitment required, a "well-informed" person is not truly "empowered" to make a difference. To empower rural communities, OISCA strongly recommends participatory and experiential learning programs, which transmit skills and knowledge relevant to the locality and foster an informed commitment to improving it.

Promote empowerment of women. The simple facts that females constitute half of the human population and that they shoulder a variety of essential tasks in impoverished regions of the world convincingly point to the crucial importance of women's empowerment. As an NGO that has helped train many hun-

dreds of women from developing countries since the 1960s, we are delighted to see the international community paying enhanced attention to this area and urge the UN system to take the issue beyond rhetoric. The UN system must solidify and intensify its efforts to empower rural women of developing countries for the best interests of themselves, their families, communities, and the world.

Promote Environmental Consciousness. We have given this point increasing weight in our eyes during the past four decades of experience. In the 1960s and 1970s, OISCA focused on agricultural promotion under the motto “Food First;” by 1980, we added forestation as another major activity, since it became increasingly obvious that agriculture can not be promoted without addressing the issue of deforestation; and from 1991, we further added environmental education as a core activity, as we learned that healthy forests cannot exist without local communities that are fully aware of their value and that have the knowledge about how to promote them. Thus our approach has been shaped by two important truths that should be universally understood—there can be no agriculture without forests and there can be no forests without an environmentally conscious human population.

Statement of Kiran Bedi, Founder and Honorary General Secretary, Navjyoti Delhi Police Foundation

Navjyoti was founded 17 years ago and has been working on rural development projects for the past 7 years. Drawing from our experiences in implementing various projects in rural development, I bring to this panel here our experiences from the South-East Asian perspective.

Navjyoti's Rural Development Project running in Naya Gaon and the adjoining villages of Gurgaon District of Haryana is an endeavor to bring about a complete transformation in rural life and help people come out of the dark dungeons of ignorance and illiteracy, the major ills plaguing rural progress. It seeks to put an end to archaic and dogmatic practices, which have countenanced underdevelopment and perpetrated inequity in the different segments of rural society.

There is a need to have a composite approach towards rural development. One of the first projects undertaken by Navjyoti was a family counseling center that was started in 1997. Realizing the focus areas that are interlinked with the success of family counseling, Navjyoti has gradually introduced programs in education, women's health, childcare, community wellness, social and economic awareness, and local empowerment. These projects involve all the players in rural life—the men and the adolescents, the laborers and the lords, the poor and the privileged, and even public representative institutions. In all its work, though, Navjyoti keeps women and children at the core of its efforts.

Navjyoti's projects in rural development are implemented with the backing of India Vision Foundation, an NGO that is a legacy of the Ramon Magsaysay Award.

While many tangible results to the projects are yet to come, enthusiastic response and participation of the community suggests that these results are near. The composite model of intervention, embracing people of all walks of life, seeks to achieve the following results.

Arrest the migration of population from rural areas to urban areas which is linked to the spread of diseases like HIV/ AIDS. If men did not have to leave rural areas to go to the cities in search of employment, there would be fewer single-mother homes, women would retain the economic and emotional support of husbands, and the family structure would be strengthened. In addition,

there would be a reduction in the number of slums, which grow when unskilled workers cannot find alternative, affordable housing.

Provision of potable water. This would reduce the burden on women and especially girl children, who are often the hewers of wood and the drawers of water at a very early age. Safe drinking water, clean and hygienic living conditions, and reduced cases of water borne diseases will result, and women and girls will be able to devote more time towards education and self empowerment.

Use of information and communication technologies for providing basic health care and immunization in the rural areas. This would decrease the rate of infant and maternal mortality and improve basic healthcare and information on health. It could also reduce cases of unwanted pregnancy, population pressure, and sexually transmitted diseases (especially HIV/AIDS), by informing the population on prevention and safety.

Conclusion

I would conclude by saying that we have many ways to measure and report development—the most recent being the millennium development goals—but in my opinion we have to target our resources. Our formula for action is rather simple and I call it the WT2: the need is to empower the women of today and the women of tomorrow. One of the most important elements of sustainable rural development is enhancing, enabling, and recognizing the participation of women in governance at the grass-roots level, empowering them as decision makers (known as the Panchayati Raj system in India) and then using the Panchayati Raj system towards achieving rural economic growth and alleviation of poverty. The women of today and the woman of tomorrow must have the right to governance as well as the right to basic education, health, and economic empowerment.

Statement by the International Federation of Settlements and Neighborhood Centers

The International Federation of Settlements and Neighborhood Centers (IFS) appreciates the opportunity you have given us to speak in the High-Level Segment because it is one of a limited number of international NGOs whose members are national or local community centres that provide social services to persons living in poverty. We are thus deeply concerned with the kind of community organizations that should be developed in rural areas. Our experience lies in the practical facilitation of services, such as finding and developing opportunities for training and employment, marketing, microenterprises, computer sharing, preventive health information and referral, child and elder care, and prenatal education. Each community centre develops its own programs, appropriate to the needs of the neighborhood. Through our regional and national seminars and conferences, IFS facilitates the sharing of successful and unsuccessful techniques and experience among its members and its partners. To be accredited as an IFS member, a national, regional or local agency must be a multi-service group with a physical space from which to operate and a Board of Directors to govern its activities.

IFS is a member of the NGO Committee on Social Development and signatory to the statement submitted to ECOSOC, on behalf of the Committee, by the Franciscans International. IFS endorses fully the recommendations outlined in the statement and especially urges Governments to take account of its view that "Development programs fostered from outside the community will not be as successful as those designed and implemented with the full participation and inclusion of local leaders and community members, including women and elders."

In addition to the issues dealt with in this paper, most of which concern long-term measures needed to achieve the eradication of rural poverty, IFS would like to stress the immediate need to find new or additional means to alleviate the conditions of life for the poor in rural areas. While we fully support the concept that poverty must ultimately be eradicated, we know that this is impossible in the short term. We therefore are concerned with developing to the maximum degree possible more humane living and working conditions for those enduring poverty in rural areas. We seek not only the practical improvement of living and working conditions but also recognition that in legislation

these are human rights, based on such international agreements as the conventions of the ILO and the international human rights covenants.

We have examined carefully the Working Paper prepared for the discussion of a Ministerial Declaration and welcome most of its provisions. However we would like to call attention to a possible gap in paragraph 8 relating to social services. There is no reference in the paragraph concerning enhancement of social services, such as community organizations, child care, social counseling and the other basic techniques that can alleviate some of the hardships faced by the poor, especially those in rural areas where transportation is frequently a major problem. Some of these issues are hinted at in Para 16, but again, there is no discussion of solutions.

In dealing with alleviation of poverty, especially in the rural areas, we are fully aware that those in greatest need are the women, and that special emphasis must be placed on projects, such as those making clean water more accessible to households, as well as to farms, and those making small funds available, frequently by microcredit schemes, for women in rural villages to start innovative and remunerative undertakings. Community operations, especially when initiated by social workers, can also devise ways to keep the children in school. We cite these examples because we believe the social approach to rural development tends to be inadequately considered. We urge the members of the Economic and Social Council to explore new social measures to alleviate—and ultimately eradicate—poverty in developing rural areas.

Statement of the Association de Volontaires pour le Service International

The Association of Volunteers in International Service is a non-profit organization that promotes cultural, social, and economic development, according to the Catholic social teaching, among the most disadvantaged in more than 25 countries.

With headquarters in Italy, AVSI represents a global network of 24 associated NGOs, most of them from non-Western countries.

AVSI, as an NGO in general consultative status with ECOSOC, is honored and grateful to be allowed to contribute a few brief remarks on the recommendations contained in the Secretary General's report on this High-Level Segment theme.

Our suggestions will focus on two key points: human capital development in rural areas and empowering people to overcome poverty. We aim not to refine policy priorities and guidelines but to contribute to the realistic and sustainable implementation of the generally agreed policies.

Years of fieldwork and agricultural interventions with partners in developing countries have taught us the following four methodological priorities.

To maintain a "people centered approach." There can be no delay in the shift from the policy of simply giving something to the poor to a policy of enhancing human capacity. The extraordinary creativity, particularly of women and youth, can no longer be underestimated or overlooked.

Every person, every family, every community represents a resource, regardless of their vulnerability. A person-centered approach means valuing and strengthening the work and history of a people, the human fabric and experiences that constitute life.

To help people understand and experience the dignity of work, particularly of manual labor. The emphasis put in the recent time on trade, open markets, etc., risks casting a shadow on the critical role of work. Rural development is not only a matter of trade and free market. The need to produce goods in quantity, quality, and efficiency should be stressed as well. We touch here the critical role of a broader and continuing education effort, designed not only to provide knowledge and skills, but also to teach youth and others to work. In many cases young people lack not only a decent job or a decent income but are on the margins of society and often on the margins of their own lives, alone

and unaware of whom they are. To “educate to work” means to educate a person toward self-awareness, an awareness that implies a responsibility toward the world.

To promote mutual and cooperative help. We have understood that for this to be sustainable, there also needs to be in place a continuous on-the-job learning process. Farmers’ association and organizations are not the magic results of mechanisms or enforced top-down politics. Instead, they are the consequences of a prolonged and patient effort that provokes and sustains the free decision of every single producer to associate and to keep associating, on the basis of a tangible added value and improved efficiency.

Rural development is clearly about elbow grease not canned ideas, slogans or ideology. Even the phrase “to do with people and not for people” risks becoming an empty slogan, if not based on a sound method and way of acting.

To ensure that poor rural people and their organizations participate fully in the design, development and implementation of rural development strategies and programmes. We ought to stress, among other things, the crucial role and responsibility of local/national government services and of international agencies in knowing, supporting and making the most of community-based programmes, particularly those started and carried out by the peasants themselves in order: (i) to adjust and shape agricultural and rural policies that favor human development of the poor, and (ii) to bring promising and successful initiatives to scale.

Statement by Martin Khor, Director, Third World Network

We need an integrated approach to rural and sustainable development, incorporating the economic, social and environmental aspects. In a paper on sustainable agriculture, the Third World Network has set out its views on this integrated approach.

In today's session, many speakers have rightly focused on the WTO's agriculture agreement. It is an instrument that is imbalanced, giving special and differential treatment to the developed countries, allowing them to continue the high protection, while pressurizing developing countries to liberalize more.

For example, developed countries can continue to maintain high subsidies, but developing countries that did not have subsidies or have only low subsidies cannot raise them. Developed countries are able to avail themselves of the "special safeguard mechanism" (of special protecting against import surges) as they went through a "tariffication" process but most developing countries do not have access to it. Many developing countries also have been subjected to rapid agricultural tariff reduction due to loan conditionalities of the IMF and World Bank. Cheap imports are pouring into many developing countries, displacing the livelihoods of poor farmers.

A major flaw in the WTO agriculture agreement is in dividing subsidies into categories, including one for trade-distorting domestic subsidies (the amber box) which have to be reduced, and one for non-trade-distorting subsidies (blue and green boxes) which escape disciplines and thus can be increased. This has allowed the rich countries to maintain or raise their very high subsidies by switching from one kind of subsidy to another. It is like a magician's trick, to have the subsidies disappear from one box, to re-appear again in some other box. This is why after the Uruguay Round the total amount of subsidies in OECD countries have gone up instead of going down, despite the apparent promise that Northern subsidies will be reduced.

The so-called blue box and green box subsidies can be just as trade distorting or even more so. In the old system, the distortion takes place mainly through the Northern governments' paying higher prices to their farmers, who then sell in their domestic markets as well as export, with the aid of export subsidies. In the new systems, the government payment of higher prices may stop, and the farmers may even sell in their domestic market at close to world market prices and they can even export now without an export subsidy. Yet

their cost of production is higher than the price they receive. This is made up for by the receipt of various kinds of subsidies.

The result is that the farmer gets enough revenues to remain in business, this time in the form of various government grants instead of in the form of higher prices. But it is wrong to call this non-trade-distorting. The protection is better disguised, but the effect is the same. In some cases it is even worse as the inefficient farms or food companies can sell at lower prices to developing countries, even without the help of export subsidies.

The high Northern subsidies (together with high Northern tariffs) have three negative effects on developing countries: they prevent market access for developing countries' products in the North; they prevent market access for developing countries' products in third markets; and, more seriously, they allow high-cost products to be exported at artificially cheap prices to swamp the markets of many developing countries, threatening the livelihoods of farmers.

The third effect is the most serious. Due to structural adjustment policies and the WTO agriculture agreement, many developing countries have had to forgo their quantitative restrictions; reduce their tariffs; and dismantle their domestic subsidies, marketing boards, and government purchase schemes. The result has been income instability for the farmers and the reduction of prices of imports.

Many millions of farmers are already affected by the dumping of high-cost, artificially-cheap products into their markets. There are many case studies showing this, including the 28 cases studied by the FAO. NGOs and academics have also collected many cases of the effects of import liberalization on Third World farmers. Among those affected are Jamaica, Guyana, Sri Lanka, Indonesia, Philippines, India, Mexico, and many African countries, for products such as rice, potatoes, chickens, onions, and vegetables. In China, many millions of farmers also face a degree of uncertainty over their future as import duties have fallen after its accession to the WTO. Products such as rice, potatoes, chickens, onions, and vegetables have been affected.

Re-negotiation of the agriculture agreement is going on at the WTO. Developing countries have called on the rich countries to really reduce their subsidies, including the "green box" subsidies. But the latest draft of the "modalities" give freedom to the rich countries to continue with green subsidies without restraint. Moreover, the US and EU policies on domestic subsidies are determined by internal policies and politics and will hardly be affected by the demands of developing countries or the Cairns Group of exporters in the WTO.

Therefore it is imperative that developing countries be allowed to defend themselves against the immoral and aggressive onslaught of those who seek to enter their markets at the expense of the livelihoods of the farmers. We propose that in the WTO:

- Developing countries should not be subjected to further tariff reduction for food products and for products of small farmers. They should be allowed to raise their tariffs beyond the bound rates if needed to defend against cheap imports.
- For these same products (food and other products of small farmers), developing countries should be allowed to raise their domestic subsidies.
- For other products, developing countries should also enjoy similar flexibilities if they are of strategic importance.
- The special safeguard mechanism should be made available to developing countries in general.
- Developing countries should be allowed to revert to the use of quantitative restrictions (which are now prohibited by the agriculture agreement) on food products and products of small farmers, at least as long as the high Northern subsidies remain.

These should be incorporated in the modalities that are currently being negotiated. It is most unethical if those countries that are protecting and promoting their farm sector to deprive developing countries the right to defend themselves.

As for the World Bank and the IMF, it is now better known that their loan conditionalities on trade and agriculture have been inappropriate and unfair. They should not prevent developing countries from raising their applied tariffs to the bound rates, as is their legal right under the WTO. They should not ask these countries to reduce or eliminate government subsidies to farmers or government purchase or procurement of farmers' products.

It is time to rethink the international design of policies either at the WTO or the international financial institutions, as these have such impacts on the lives of rural people and the prospects of rural development in the developing world.

Statement of the Conference of NGOs in Consultative Relationship with the United Nations

For over 50 years, the Conference of NGOs in Consultative Relationship with the United Nations (CONGO) has actively promoted and facilitated the participation and involvement of NGOs and Civil Society Organizations in the work of the United Nations. Today, we are reaching out to NGOs around the world, in particular from developing countries, to further strengthen their presence at the United Nations and to facilitate their efforts to relate more effectively to the important matters treated in United Nations fora.

It is in this context that CONGO organized, for the third time, an ECOSOC High-level NGO Forum as another important step for strengthening UN/NGO relations and building a true partnership between civil society and the UN. More than 90 participants came together from all regions of the world to discuss and listen to speakers representing grass-root organizations from rural areas. I have the privilege to present herewith a short summary of the recommendations.

Poor people from rural areas, 60% being women, are impatient. They cannot wait any longer. They and civil society organizations are pleased that the theme of an integrated approach to rural development and poverty eradication is now high on the agenda, but it has been there before and failed. Yet civil society organizations and people from rural areas have still high hopes and expectations. They look forward to this meeting trusting that progress will be made. They do not want the Ministerial Declaration to begin with: “We have come together to consider that something should be done...” but rather that you say: “We came together in order to do..!”

Out of the many recommendations to meet the Millennium Development Goals I have clustered four areas for your most urgent attention.

Social Integration/Incorporation of the Rural Poor

- Avoid top-down impositions of “solutions,” especially on the poorest of poor, and empower poor rural people—in particular women—to use their wisdom and experience to become their own agents of change.
- Promote communities and organizations that represent the rural poor, are owned by them and serve their needs. The rural poor need full

citizenship rights to voice their demands and to bargain for demand-driven programs.

- Fully integrate poor people into a rural development framework consisting of local government, credit institutions, juridical institutions, agricultural support services, health centers, school authorities, and water suppliers, as well as national and regional government departments.
- To muster political will for a shift in paradigm to a genuine bottom-up approach that takes into account the special circumstances of specific groups, including indigenous peoples, women, youth, and older persons. All should be involved in the planning, implementation, and monitoring of every project and program governments undertake on their behalf and on behalf of their communities.

Increase Access to Assets

- Redress past injustices, such as skewed land distribution, as a starting point for poverty eradication. At the same time, we must recognize that poverty is multi-faceted and must address ill-health, low levels of literacy, lack of productive assets, and inadequate tools and equipment.
- Change laws and customs to respect a woman's claim to land rights and tenure so she does not have to act through a husband, father, or brother. Rural women need reliable information as well as access to justice, notably in regard to inheritance rights.
- Promote a rights-based approach to rural development. This will require some courageous political decision, including providing meaningful protection of access for the rural poor to land, water, and other productive resources. This is likely to involve denying or reducing such access for powerful corporate interests.
- Recognize the importance of access to (formal or informal) education. Education will later produce economic opportunities for agriculture or off-farm activities and will also overcome psychological barriers that are deeply imbedded in the life of the community. Education of girls pays a particularly high rate of return and is an especially effective tool for national development.
- Give highest priority to access to clean water, including to local water access, village boreholes, community wells, and low-technology maintenance of water distribution installations. The corollary is to invest

adequately in sanitation and waste disposal installation and in their upkeep.

Agricultural Development and Food Security

- Move from handed-down rural development programs to locally driven development for income generation, social development and social protection.
- Establish support and protection mechanisms for farmers struggling to get out of poverty. These farmers may be confronted with weather hazards and natural catastrophes but also with the encroachment of extractive industries, de-forestation, biodiversity reduction, environmental destruction, and water pollution.
- Rectify structural injustice that occurs through the huge subsidy policies of the OECD countries to protect their own agricultural markets. In particular, “the international scandal of cotton” should be urgently addressed.
- Promote food security and secure land tenure as contributions to peaceful coexistence in villages, to sustainable development and therefore to world peace. This is an additional reason and justification for the mobilization of civil society. It is regrettable that in today’s world climate, peasants’ organizations and activist human rights groups are being targeted by government actions based on anti-terrorism legislation or attitudes. The rule of law must remain paramount.

Decentralization and Participation

- Promote decentralization in decision making as a highly important aspect of rural development, in particular for indigenous people. Decentralization requires a just approach to territorial boundaries, language usage, local-governance structures, communal tenure, and empowerment of local associations and communities.
- Make central governments aware that they cannot abdicate their responsibility to ensure that decentralization is based on an adequate flow of resources to the local or regional institutions.

Two crosscutting themes emerged strongly and permeated all recommendations. One was the promotion and enhancement of women’s role and rights to self-determination and self-expression. Women’s access to justice, to education, to services, to political power mechanisms including electoral processes,

to social safety networks, and to land was seen as a fundamental prerequisite to rural development and poverty eradication. Their role as entrepreneurs, grossly underdeveloped, was seen in need of urgent support by governments and IGOs. The Forum agreed to claim 15 October as International Rural Women's day.

The other key issue was the promotion and enhancement of rural people's access to modern information and communications technology (ICT). This is an increasingly valuable tool for improving the lives of rural dwellers—informing farmers on price movements; arranging transportation; exchanging knowledge of seed availability, of good practices, of new rules and regulations, of investment opportunities. Widespread local-level access to ICT's also empowers the poor to play a fuller role in development and of course self-development.

In conclusion, we stress the overarching need for the Ministerial Declaration or any other outcome of this Segment to move beyond nice rhetoric and point towards action in the areas we have highlighted here. Action that will ensure governments and the United Nations achieve the following:

- Comply with existing agreements such as the establishment of National Council for Sustainable Development.
- Support and further develop technical cooperation and collaborative partnerships of civil society with the United Nations and give support to existing intergovernmental organizations and coalitions.
- Stay focused and encourage innovation in the implementation of integrated rural development.
- Use the World Summit on the Information Society (WSIS) as a major opportunity to accelerate the process and facilitate earliest implementation.

■ Appendix III

Report of Secretary-General and ECOSOC Ministerial Declaration

Report of the Secretary-General

Summary

Accelerated rural development is essential to achieve the internationally agreed development goals, including the millennium development goals. The present report provides policy recommendations on ways to promote an integrated approach to rural development, encompassing the economic, social and environmental dimensions, with a number of mutually reinforcing policies and programmes that address a broad range of issues related to rural development.

I. Introduction

1. Three quarters of the world's poor live in rural areas of developing countries and depend mainly on agriculture and related activities for their livelihood. In 2025, when the majority of the world population is expected to be urban, 60 per cent of poverty will still be rural.² Thus, the millennium development goals of halving the proportion of people living on less than a dollar a day and the proportion of those who suffer from hunger by 2015 cannot be achieved unless rural poverty is urgently reduced.
2. Moreover, attaining the other goals will not be possible without significant increases in rural incomes and opportunities and significant improvements in rural health, education and social services. Eradicating rural poverty in a sustained way requires the sustainable use of the resources on which the community depends—land, water, forests and access to markets that increase the income and earning opportunities of the rural poor. Rural populations also play a critical role in managing and conserving the world's natural resources, including its biodiversity.
3. The major United Nations conferences and summits and their reviews, particularly the Millennium Summit, the World Summit on Sustainable

² International Fund for Agricultural Development, *Rural Poverty Report 2001—The Challenge of Ending Rural Poverty* (Oxford, United Kingdom: Oxford University Press, 2001).

Development, the five-year review of the World Food Summit, the International Conference on Financing for Development, and the Third United Nations Conference on the Least Developed Countries, have addressed rural development from perspectives that were related to their core themes. The initiatives of the Secretary-General in the context of the Plan of Implementation of the World Summit on Sustainable Development (Johannesburg Plan of Implementation)³ provides impetus to action in the five key thematic areas—water, energy, health, agriculture, and biodiversity—reaching out to all major stakeholders in sectors vital for rural development. As increasing focus is placed on integrated implementation of conference outcomes, the Economic and Social Council has an opportunity to consider how rural development, as an issue relevant to the implementation of outcomes of many United Nations conferences, can contribute to achieving the internationally agreed development goals, including the millennium development goals.

4. Building on the outcome of the major United Nations conferences and summits, discussions within the Council can help to make rural development a priority and bridge the gaps and different perspectives that exist in the approaches. Such discussions can also determine how the United Nations system can promote rural development, taking into account regional and national specificities. Given the great differences between regions, countries and often within a country itself, there are limitations to generic guidance. It may be more effective to focus on the geographical and substantive components and identify key points of leverage that would help overcome the main obstacles in each specific context. Nevertheless, sharing successful national experiences and models of integrated rural development that have worked can enrich the policy choices.

II. Integrated Approach to Rural Development for Poverty Eradication and Sustainable Development

5. The development community has long recognized the need for holistic approaches to the development of rural areas, though efforts in the 1970s and 1980s largely subscribed to a “one-size-fits-all” approach, which at the core was a top-down provision of basic minimum needs to the poor. In the late 1980s and 1990s, it became clear that through a more inclu-

³ Report of the WSSD, Johannesburg, South Africa, 26 August-4 September 2002 (United Nations publication, Sales No. E.03.11.A.1 and corrigendum), chap. I, resolution 2, annex.

sive and targeted rural development approach, the rural poor could be empowered to spur development. The importance of local ownership was recognized, as well as the effectiveness of a more people-centred and multi-stakeholder approach.

6. Learning from past lessons, the new approach to integrated rural development should be based on a territorial rather than a sectoral logic, emphasizing location-specific synergies between different sectors. Specific characteristics of each rural space must be taken into account. The economic, social and environmental characteristics of that space and its vertical and horizontal linkages have to become the policy arena for the sustained and sustainable eradication of rural poverty. Interventions based on location exhibit a multidimensional and multisectoral character, which is required to address this persistent form of poverty.
7. The new approach also requires horizontal and vertical integration and partnerships. Horizontal and vertical integration are needed to bring together the economic, social and environmental dimensions of rural development and foster collaboration between local actors (such as community associations, private sector organizations, local authorities, non-governmental organizations and civil society organizations). Partnerships are required to integrate the rural economy into the national economy and international trade and financing system and link local actors with higher levels of Government, donors and the private sector. Horizontal alliances would enable local priorities to be established through a participatory planning process and implemented at local levels. Vertical partnerships should serve to share financial responsibilities, establish overall priorities and guiding rules, and strengthen monitoring and evaluation.
8. Effective rural development approaches must also respond to persistent inequality of access to various types of assets, especially by women, indigenous peoples and other vulnerable groups. Reform of land ownership rights and other natural assets is often the basis for establishing an environment in which the development of rural areas will be widespread. Moreover, rural development cannot be achieved without explicit recognition of the significant contribution of rural women to food and agricultural production and their crucial role in ensuring food security and well-being for households. Increasing poverty among rural women is due to their limited access to and control over productive

resources (land, water), services (such as extension, training and credit) and markets, as well as their limited participation in decision-making.

III. Elements of an Integrated Approach to Rural Development

9. The key economic, social and environmental elements of an integrated approach to rural development are analyzed below.

A. Strengthening the Rural Economy

1. Establishing an Enabling Environment

10. Governments play a key role in developing a policy environment conducive to rural development. The multifaceted and complex nature of interventions is elaborated in the sections below. The present section looks at issues beyond the national domain that have a profound influence on national efforts and emphasizes the case for enhanced international cooperation in addressing macroeconomic and trade-related issues of relevance for rural and agricultural development. The issue is not only the adequacy, in terms of both volume and effectiveness, of development assistance, especially for the productive sectors, and debt relief. It is also a matter of the coherence of the development cooperation policies and the national macroeconomic, sectoral (agricultural), trade and financial policies of the developed countries.
11. Official development assistance (ODA) is an important means for developing countries, particularly the least developed countries, to augment public investments in rural areas. The need to reverse the decline in ODA flows has been increasingly accepted among donors, reflecting a renewed confidence that ODA can be an effective use of public monies and that shared development goals warrant additional donor expenditure. While recent ODA commitments made in the context of the International Conference on Financing for Development are encouraging, they have hardly begun to appear in net ODA disbursements. From 1990 to 2000, net ODA provided to least developed countries dropped by 46 per cent. Many developing country Governments have also reduced support to the agricultural sector. Although it is an important means to mobilize resources for poverty eradication in rural areas, current debt relief provided for the least developed countries is insufficient to ensure long-term debt relief. The slow progress towards a successful conclusion of the Heavily Indebted Poor Countries Initiative (HIPC) is

a matter of concern. A reversal of the decline in the proportion of ODA going to rural areas and agriculture is vital for strengthening the rural economy, especially in the least developed countries.

12. With ongoing efforts aiming to liberalize trade in agriculture through the new round of multilateral trade negotiations (the “development round”) of the World Trade Organization (WTO), the international community has a chance to create new opportunities for the rural poor to prosper by pursuing broadened economic integration. The negotiations, which emphasize the liberalization of trade in agricultural and non-agricultural products, could unleash the potential for global markets to deliver the promise of development in rural areas. Such an achievement must go hand-in-hand, however, with targeted aid that empowers rural communities to benefit from this process.
13. The situation in international commodity markets has significant impacts on rural poverty. Low prices cause severe hardships for producers, in particular the poorest ones among them, including women producers. Subsidies in developed countries are among the main causes of low prices, which affect both export-oriented producers and producers targeting local markets. Poor farmers in developing countries do not have much of a chance to grow out of poverty if rich farmers continue to be subsidized on a massive scale by developed countries. Agricultural subsidies in developed countries are currently estimated at \$300 billion annually. Reduction of the support provided to the agricultural sector in developed countries could make a crucial contribution for achieving rural development and alleviating rural poverty in developing countries.
14. Improving the efficiency and quality of production and diversifying into high value added items require the provision of necessary support services. Many developing countries are increasingly unable to provide these services owing to budgetary, institutional and technical constraints. Even when the services are available, small farmers are at a disadvantage in accessing them. Assistance in diversifying into higher-valued products and in filling such gaps in local support systems as the provision of information, technical advice and quality control is crucially important.
15. Barriers to market access, including tariff peaks and tariff escalation, restrict markets for exports from developing countries. Other govern-

ment regulations such as those implemented under agreements on Sanitary and Phytosanitary Measures, Technical Barriers to Trade and Trade-related Aspects of Intellectual Property Rights also create difficulties for entering important markets. In addition, importing firms impose quality and other requirements. Those are often as important as government regulations. Effective market entry can only be realized by satisfying all the requirements. For example, investments are necessary to understand and comply with the various requirements, both government and private, but the rural poor do not have the means to undertake such investments. Moreover, modern commodity markets, which increasingly concentrate on large-scale importing, require small producers not only to meet and ensure quality and other requirements, but also to be organized to provide a steady supply of the necessary quantities of the product. Regardless of the price situation, successful participation in international value chains calls for the empowerment of the suppliers. Assistance is necessary to enable the producers, particularly the smaller ones, to undertake the investments required for market entry.

16. The flow of foreign direct investment (FDI), which increased significantly to developing countries during the last decade but has declined more recently, remains highly uneven and is directed mainly outside the agricultural sector. Effective policy reform programmes are needed to create an enabling environment that encourages private sector investment in rural areas, promoting farming, marketing, processing and input supply. Private sector investment in agricultural research rose during the 1990s, but this occurred predominantly in the developed countries. The overall result has been to reduce the total volume of resources flowing to rural development.

Box 1. Enabling Environment

At the brainstorming meeting of the Economic and Social Council on 24 March, participants noted that the Council had an important role to play in promoting policy coherence at the international level and ensuring the links between various international processes, conventions and programmes. The need for pro-agriculture policies was stressed, covering the entire range of policies, including trade, exchange rate, fiscal and credit. It was also suggested that the Council could give political impetus to Doha process on trade in agriculture and identify key entry points for promoting a bottom-up integrated approach with the participation of the rural poor.

2. Improving Agricultural Production and Food and Nutrition Security

17. Agriculture plays a central role in the overall economic growth of most developing countries. By the late 1990s, on average, more than 75 per cent of the labour force in the least developed countries and other low-income countries was engaged in the agricultural sector and about 35 per cent in other developing countries. Agriculture is an important source of employment and income, with implications for other sectors of the economy. Raising agricultural productivity is important for reducing poverty and promoting food security and nutritional wellbeing.
18. The smallholder sector forms the backbone of agriculture in most low-income countries, especially with regard to food production. Smallholders, especially women farmers, have considerable knowledge of their local environment and are effective entrepreneurs who have shown the capacity in many different country circumstances to respond rationally to the incentives and risks that they face. Thus, by creating the appropriate enabling conditions, the underutilized capacity of smallholder farmers can be harnessed to increase the pace of rural development and poverty reduction as well as contribute to aggregate food and cash crop production.
19. Emphasis needs to be placed on practical ways of increasing agricultural and food production in a way that promotes food security and nutrition improvement, taking into account the specific economic status and characteristics of each country. For the least developed countries, augmenting staple production merits particular emphasis, since in the early stages of development, cultivation of staple foods and/or off-farm employment provides most of the income of the poor. More broadly, in developing countries, efforts should be focused on increasing agricultural diversification and productivity and on supporting competitiveness and the production of high-value crops. Safe and healthy working and living conditions for agricultural workers also contribute significantly to agricultural productivity and enhance food security.
20. Improving the efficiency and quality of production and diversifying into high value added items require the provision of necessary support services. Integration of research, extension, credit and marketing services is required for rural development. Experience indicates that a thorough reorganization and integration of rural support services is needed, using modern means of communication and training in order to enable

rural populations to take advantage of the opportunities offered by the increasing globalization of trade and information flows. The integration of such services would also imply better coordination between government, nongovernmental organization and private-sector initiatives.

21. Infrastructure support is pivotal for promoting improved market access, as well as for increases in both farm and non-farm productivity in rural areas. Public investment in physical infrastructure, especially transportation, electricity, information and communication networks, needs to be increased. Marketing and transportation facilities (such as storage) may also help overcome the geographical disadvantages faced by landlocked populations. Priority must be given to rehabilitating existing rural infrastructure and to fostering local responsibility for its maintenance and management. Urban-rural infrastructure gaps need to be addressed in many developing countries.
22. Access to financial services can help the rural poor reduce their vulnerability and widen their economic opportunities through small productive investments, enabling them to build assets over time. Empowerment of local communities and clients (especially women) is an important outcome of microfinance interventions. By increasing women's control over household budgets and assets, microfinance services have often helped to increase their authority in household decisions and broaden their social and political influence. The Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010 refers to microcredit as a relevant and powerful engine for employment creation, poverty eradication and reduction of gender inequality. While the successes of microcredit are well recognized, the provision of safe and flexible savings products, secure transfer and remittance facilities, and insurance services are often as important as access to loans. Further, in rural areas there is a need to expand lending beyond microcredit to meet the needs of the agricultural cycle and for small transformation activities/equipment.
23. To guarantee food and nutrition security, hunger must be confronted more effectively as part of a broader effort to address insecurity caused by chronic poverty, capability failures, social exclusion and marginalization, exacerbated by natural disaster and conflict. Moreover, such a strategy also needs to extend from short-term humanitarian problems to the longer-term aim of eradicating hunger and malnutrition.

24. Capacity- and institution-building in the area of food safety and quality should be important elements in rural development planning. Encouraging food-processing/handling activities at the rural level can directly serve to promote food security goals by ensuring prolonged availability of seasonal crops and encouraging dietary diversification, and can create employment and opportunities for income-generation. Factors to be considered are access to food control services, food legislation and rural infrastructure.
25. Broad efforts to achieve food security must take into account the status, employment and livelihoods of groups that are currently disadvantaged, such as women, who often maintain household food security in unpaid food production.

3. Non-Farm Activities and Incomes

26. Non-farm activities, which usually grow faster than farm production, will play an increasingly important role in expanding rural employment and income and in reducing poverty. Diversification towards rural non-farm activities is crucial. The promotion of decentralized industrial development patterns can stem rural-urban migration, bring employment opportunities to rural areas and reduce regional income disparities, building equity concerns into the structure and growth pattern of the economy. Therefore, emphasis needs to be placed on strengthening productive capacities through microenterprises and small and medium-sized enterprises (SMEs), a process in which women in rural areas play a major role. The capital requirements of such non-farm sources for generating income are quite low, and these activities help to stabilize household income during crises such as droughts and floods. The main challenge is to stimulate income-generating productive capacities with a view to creating sustainable local markets.

4. Rural-Urban Link

27. Owing to the economic, demographic and environmental complementarities between rural and urban areas, there is a need to promote approaches that build on rural-urban linkages. Rural-urban migration may reduce population pressure in the rural areas. However, disparities between urban and rural areas in terms of income and employment and the availability of basic infrastructure and services persist. Since urban areas offer more and better opportunities for socio-economic mobility

of the poor, rural-urban migration will continue. A major effort is required to ensure that urban areas can absorb the growing urban population and that urbanization will not result in an urbanization of poverty. It is important to spread the benefits associated with urbanization to all parts of the national territory, including through facilitating better access to physical and economic infrastructure and services.

28. Building on the rural-urban linkages for the benefit of all requires not only capacity-building, but also changes in the nature of the rural-urban relationship and the development of a more balanced relationship, which currently very much favours the urban areas. Small and medium-sized towns can play an important role in the urbanization process by serving as nodes of regional growth and absorbing rural-urban migrants. By serving as regional hubs, small towns could also contribute to the development of the rural areas and reduce the pressures of rural-urban migration to large cities. Studies of rural-urban linkages indicate that the nature of the linkages differs from one place to another and for different sectors in the same place.

B. Social Development

29. While economic growth is necessary for rural development, it is not enough to reduce poverty and hunger. That depends greatly on access to employment, education and health and social services, as well as on the existence of effective water and sanitation systems.

1. Access to Education, Health and Social Services, and Protection

30. Strengthening human capital is key to long-term development. Foundations for longer-term poverty reduction are built by increasing access to, reducing disparities in and improving the quality of health, water and sanitation, nutrition and education in rural areas. The ministerial declaration of the high-level segment of the substantive session of the Economic and Social Council for the year 2002 contains recommendations regarding the issue of human resources development, particularly health and education, which are especially relevant in the context of rural development.
31. Sustainable agriculture depends on a healthy workforce. Lack of access to basic health care and social safety nets means that an illness, disability or death drives rural families further into poverty. Specific measures are needed to improve rural health services, reduce maternal and infant

mortality rates and address the human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) pandemic, as well as reduce the incidence of malaria and tuberculosis among rural populations. Better access to reproductive health services, information and population education should be part of an integrated approach to rural development, taking into consideration sociocultural, gender and human rights. Public-private partnerships need to be explored to strengthen social service provision in rural areas. Investments in education and health systems should be designed to complement each other, with a cumulative impact aimed at raising the productive capacity and wellbeing of the rural population.

32. Education is also an essential tool for reducing poverty. Education programmes would also help the poor to articulate their needs on public policies that affect development planning and, therefore, have an impact on their lives and livelihoods. Lack of women's access to education is a serious impediment to rural development, as investment in girls' education offers one way to achieve greater synergy among sectoral interventions.

2. Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome

33. The HIV/AIDS pandemic is a development crisis that threatens the social and economic fabric and the political stability of developing nations. Although HIV/AIDS is often thought of and dealt with as a primarily urban issue, the vast majority of people living with and affected by the pandemic live in rural areas. AIDS has killed more than 7 million agricultural workers in 25 countries of Africa and could kill an additional 16 million (up to 26 per cent of the agricultural labour force) in sub-Saharan Africa by 2020. Farming skills are being lost, agricultural development efforts are declining, rural livelihoods are disintegrating, productive capacity to work on land is dropping and earnings are shrinking. Moreover, the disease burden also reverses development gains as its costs weigh heavily on community members, especially women, who comprise 45 per cent of those who are living with HIV/AIDS globally. Rural communities suffer further setbacks in other areas such as food production, education and governance.
34. The agricultural sector, which is vital for rural households and national economies in many developing countries, is disproportionately affected

by HIV/AIDS as it is highly labour intensive and has a large number of mobile or migratory workers. The negative effect of HIV/AIDS on that sector includes impoverishment of directly affected communities, erosion of its capacity through losses in human resources and disruption of its operations by severing key linkages in the production chain.

35. The critical link between HIV/AIDS and rural development presents key challenges for the international community. It is now clear that stand-alone policies and single interventions are insufficient in themselves to address HIV/AIDS and eradicate poverty. Evidence suggests that rural development efforts must be viewed through the lens of HIV/AIDS with the goal of reversing the epidemic and sustaining rural development. Similarly, efforts to respond to HIV/AIDS must also consider the root causes and consequences of poverty.

3. Employment

36. Productive employment is a major route out of poverty. Hence, it is important simultaneously to raise productivity and increase employment in agriculture and rural non-farm activities. However, employment by itself will not be sufficient; it must generate adequate incomes to provide protection against ill health and an adverse work environment, and provide for a decent living during old age. Attention should be focused on the specific concerns of agricultural and rural workers in terms of fundamental principles and rights at work, employment, social protection and social dialogue. Efforts to raise agricultural productivity are undermined by accident and injury rates that are among the highest in any economic sector. Working conditions need to improve in concert with increasing productive capacity. Other essential steps include removing restrictions on the right of workers to organize and confronting all forms of discrimination as well as child and bonded labour.
37. Rural employment strategies need to be developed to spur off-farm employment opportunities and address seasonal fluctuations in employment. Those strategies might include exploring linkages to other forms of land use, such as forestry or small-scale mining, or other activities, such as agro-processing or local infrastructure development. Self-employment and small and medium-sized enterprises development can be promoted by providing people with access to microcredit and some basic business skills. An employment-intensive approach could well be applied to road construction and other infrastructure needs, such as those

identified in the Johannesburg Plan of Implementation, notably water management, community-based irrigation projects, sanitation and rural energy provision.

38. The commercialization of agriculture and trade liberalization can create new employment and income opportunities for rural women (for example, in agroindustry), increasing their autonomy and self-esteem and expanding their choices and decision-making power within and outside of the household. However, poor working conditions, the often short-term nature of women's employment and the unequal distribution of domestic responsibilities continue to diminish the possible positive gains. Greater attention should be given to the issues related to the increase in labour mobility and migration among rural women, including forced migration, such as trafficking in women and girls, domestic services or sweatshop employment.

4. Social Integration

39. Social polarization and fragmentation are increasingly common in rural communities. The social fabric is strained by competition for scarce resources, gender inequality, poorly defined property rights, the appropriation of common property resources and ethnic and religious conflicts. The development of institutions for rural people, especially the poor, to resolve their disputes in a transparent and accessible manner is key to strengthening the social fabric of rural areas.
40. There is a marked ageing of the population in rural areas because of the exodus of young adults to urban areas in search of employment. Ageing of the rural population is sometimes further accelerated by the return of older persons from urban to rural areas upon retirement or the increased mortality of young adults owing to HIV/AIDS. Rural ageing has major implications for the composition of the rural labour force, agricultural production, land tenure, social cohesion and overall rural development.
41. The Madrid International Plan of Action on Ageing (2002)⁴ recognized that policies and programmes for food security and agricultural production must take into account the implications of rural ageing, particularly for older women, who are particularly economically vulnerable due to age, widowhood, gender discrimination in inheritance laws

⁴ Report of the Second World Assembly on Ageing, Madrid, 8-12 April 2002 (United Nations publication, Sales No. E.02.IV.4), chap. I, resolution 1, annex II.

and non-remunerated work for family upkeep. The Madrid Plan addressed those issues by recommending specific actions to improve living conditions and infrastructure in rural areas and, a priori, alleviating the marginalization of older persons.

C. Sustainable Use of Natural Resources and Protection of the Environment

42. Environmental degradation is a critical issue for rural development. Deforestation, desertification and degradation of cultivated lands, in particular, have serious implications for the livelihoods of large segments of rural populations and for long-term productivity of their natural assets. Nevertheless, agricultural production itself, as currently practised in many parts of the developing world, is a major factor in accelerating land degradation and the destruction of natural resources. Agricultural expansion in Africa and Latin America, intensification in Asia and Latin America and the expansion of irrigation throughout the world have all contributed in some way to destruction of the ecosystem through soil erosion, declining soil fertility, depletion of micronutrients, waterlogging and salinization.

Box 2. Double Green Revolution in Africa

The Task Force on Hunger of the Millennium Project is coordinated by Pedro Sanchez, who was a panelist at the brainstorming meeting of the Economic and Social Council. The Task Force proposed three early actions using a community-based approach for a new double green revolution in Africa that is productive and environmentally sustainable:

- School lunch programme with locally produced food
- Making rural markets work for the poor
- Restoring soil fertility in farmers' fields in Africa

43. Land degradation in particular is not only a threat to the environment, but also to the food security and livelihoods of millions of people. The United Nations Environment Programme classifies about 25 per cent of global farmlands as degraded owing to human activities, with Africa and Asia accounting for more than 50 per cent of the world's degraded soils. Effective implementation of the United Nations Convention to Combat Desertification is critical for addressing land degradation and promoting sustainable management of dryland resources. In develop-

ing countries affected by desertification, support is urgently needed for those institutions capable of mobilizing the required resources. National and subregional plans to combat desertification should be implemented through an integrated approach. The establishment of water user associations should be promoted for the management and use of that scarce resource.

44. Women's roles as environmental managers and users of natural resources make them key actors in achieving sustainable development as recognized at several United Nations conferences. Policies and programmes in agriculture, water and sanitation, forestry and energy should take into account the contributions, needs and priorities of women and men. Women's relationship with the environment revolves around their central concerns with household food security and the provision of water and fuel for family welfare.
45. In addition, humanitarian and development actors need to combine efforts and coordinate activities and funding for displaced or returning populations as well as for refugee/returnee receiving communities, most of which are situated in poorly developed rural areas. The involvement and empowerment of women at all stages of disaster management programmes should be an integral element of strategies to reduce community vulnerability to natural disasters.

1. Enhancing Access to and Sustainable Management of Productive Resources—Land, Water and Energy

46. The incentive to invest in and manage land and other natural resources sustainably can be strengthened by helping the rural poor to gain secure access to their land and other resources, including water, forest genetic resources and appropriate technology. Such access is especially important for vulnerable groups, including forest dwellers, pastoralists, indigenous peoples and women. Tensions over natural resources among diverse interest groups can also be eased by establishing and strengthening conflict resolution structures at the local level.
47. Land plays a strategic role in rural areas. Aside from its value as a productive factor, land ownership provides collateral in credit markets, security in the event of natural hazards or life contingencies, social status and, for those with large landholdings, considerable political and economic leverage. Inadequate land tenure structures are still a major ob-

stacle to sustainable agriculture and rural development in many countries, particularly for women.

48. Land reforms are necessary for enhancing community and private sector participation in overall economic development, for the stimulation of private investment in agriculture and for the reduction of social disparities, including gender disparities. The four areas of agrarian reform that could be considered politically feasible as well as economically sustainable are (a) transforming tenancy rights, either into ownership rights for the tenant or through right of permanent tenancy; (b) redistribution of ownership of uncultivated land; (c) giving title to lands and watercourses owned by the State; and (d) community-based redistributive land reforms based on a willing-buyer willing-seller principle. In recent years, there have been considerable developments in the role of land tenure institutions, including land tenure regularization; involvement of land users and other stakeholders in land tenure regularization and planning; and regularization of user rights and the sustainable use of communal lands.
49. The failure to address land-tenure issues has led farmers into marginal areas where they at times produce illicit drug crops to survive. Alternative development interventions in areas with illicit drug crop cultivation have a direct impact on poverty alleviation by increasing food security and cash income from alternative sources and improving access to social services and markets.
50. Some 637 million rural people live in areas characterized by severe water stress and some 30 per cent of rural households lack access to safe water.⁵ Drainage problems have also led to the waterlogging and salinization of cropland, which reduces productivity and yield potential. Although some 900 million people have gained access to water supplies and 985 million to sanitation over the last 10 years, the prospect of continued progress is tempered by changing patterns of water availability that threaten the sustainability of an increasing number of rural communities. Since water interacts with nearly all sectors of the economy and water demands will continue to grow with the rise of populations and industry, the challenge is to assure that the rural poor are not excluded from water access in the future. As the primary managers of

⁵ International Fund for Agricultural Development, *Rural Poverty Report 2001—The Challenges of Ending Rural Poverty*, (Oxford, United Kingdom, Oxford University Press, 2001).

the household water supply, women are deeply affected by changes in water availability and policy.

51. The poor cannot reap the full benefits from secured farmland without water. Growing water scarcity coexists with farm water subsidies that diminish efficiency and harm the poor. Improving poor people's access to water depends partly on the redistribution of water-yielding assets and partly on incentives to use labour-intensive ways to improve water use. Appropriate water pricing and participatory water user associations can substantially enhance water use efficiency. More resources must also be allocated for reducing spillage, leakage, infiltration, evaporation and clogging.
52. According to a recent study by the Food and Agriculture Organization of the United Nations (FAO) and the World Energy Council, only 33 per cent of the rural population in developing countries today has access to electricity. In most developing countries, the majority of the rural population is dependent on traditional fuels, such as wood, dung and crop residues. Rural energy policies and programmes have been implemented in only a few countries, and the intensity of effort is still much below the scale of needs. Although wind power generation, photovoltaic cells and bioenergy conversion have advanced considerably in terms of both cost and reliability, the rural energy transition required to enhance productivity has yet to take place.

2. The Role of Technology and Techniques

53. Sustainable agricultural technologies can be used to improve farming practices and management of natural resources. Various technologies and techniques have led to impressive achievements in a number of rural development initiatives throughout the developing world. Green and organic farming and its production techniques, which are labour-intensive but not input-intensive are showing promise for rural poverty reduction in view of the premium prices obtained for those products in evolved urban and developed country markets. Nevertheless, substantial trade barriers in developed markets exist, impeding the achievement of that potential. The successful use of sustainable technologies is, however, conditional on significant policy and institutional reforms that ensure equitable access to land, markets, credit, extension, education and infrastructure in rainfed farming areas.

54. While technology can be pivotal in reducing rural poverty and promoting rural development, technology dissemination has often focused on the better-off or “progressive” farmers, bypassing smallholders and marginalized groups living in less favoured areas, especially women. Greater attention should be given to pro-poor and gender-sensitive technologies for sustainable production in resource-poor regions. It is helpful to offer a range of technical possibilities and allow farmers to select the methods best suited to their own situations. Such demand-driven approaches have proved successful in many economic and social environments.
55. The traditional knowledge, skills and wisdom of indigenous peoples are valued resources in agricultural systems in developing countries. Traditional medicines also help meet the health-care needs of rural populations and provide the only affordable treatment available to poor people. Forest dwellers, pastoralists and indigenous peoples living in marginal areas also contribute greatly to the sustainable management of natural resources. Their intimate knowledge of their environment is highly instrumental in preserving abundant and clean water supplies, biodiversity conservation and carbon storage. Allowing local populations to share part of the benefits of preservation increases the incentives to do so. Revitalizing their traditional knowledge systems and blending them with new and emerging technologies can be valuable, not only for raising productivity, but also for enhancing ecological sustainability. Traditional knowledge must be valued and protected from appropriation. To ensure that they benefit from technological advancement, indigenous peoples should have opportunities to define the development of new technologies. Special attention should be paid to women’s traditional knowledge, ensuring that they control and share in the benefits.
56. While recognizing their great potential, a cautious approach is necessary with respect to biotechnologies, particularly in the case of genetically modified crops. Every effort must be made to ensure the biosafety of people, the food chain and the environment. More public-sector research into transgenic food staples is also needed to ensure that bioagriculture will truly promote poverty reduction.
57. Increased access is needed to modernized information and communication technology for capacity-building so farmers can be better informed about practices, prices, access to inputs and output markets. The infor-

rural institutions be representative of both men and women and open to a wide range of interests and concerns, including those of women in poverty.

60. Capacity-building for self-organization is essential in poverty-eradication strategies. Critical factors are access to education and training and access to information and employment. Empowerment of local communities through enhanced knowledge and access to information, new skills and greater capacity to plan and manage their affairs—backed by institutional reforms, including strengthened governmental implementation processes and budgetary management—are vital to sustainable agriculture and rural development. The importance of active participation of farmers in producer associations, field schools and other local community groups involved in sustainable intensification and diversification processes has been amply demonstrated. In addition to the usual fields of agricultural education and training programmes should cover the management of farmers' associations, their interactions with public administration and the private sector, and their role in policy making and planning. More effort is required to support the development of institutions by the poor themselves to manage their assets more effectively and better meet their basic needs; and to promote mechanisms (including the self-organization of poor people) to influence the market and public policies.
61. The creation of democratic institutions of local Government and assured representation of disadvantaged groups are necessary but not sufficient conditions to ensure that the latter's interests are safeguarded. In order for the bargaining process to work in favour of the poor and vulnerable, they have to articulate needs and actively persuade and/or pressure the relevant forums to take necessary action to meet their needs. Conscious measures to encourage and strengthen institutions of civil society at the local level are essential. The decentralization of public bodies involved in rural development processes can make existing institutions more accountable to the rural poor. To enable rural poor people to influence public policies, investments and services and to ensure that rural elites do not capture most of the benefits of these social and financial assets, decentralization processes must be undertaken gradually. Adverse effects sustained by the rural poor through decentralization can be mitigated through government support for the organization and knowledge empowerment of the rural poor.

mation gap between rural and urban areas is growing, with the potential effect of widening income differences and social disparity. The use of information and communication technologies, which include wireless and radio and television, should receive priority attention when addressing the information needs of rural areas, with a view to promoting their seamless integration into the national economy. Careful coordination of the public and private sectors in cooperation with rural communities will be required to ensure success.

Box 3. Science and Agriculture

Science and technology can make a difference in African agriculture, as Gordon Conway reported at the brainstorming meeting of the Economic and Social Council on 24 March. In an article published in *Science* magazine,⁶ Conway cited an example that generated the following lessons:

- Farmers need access to affordable inputs, including seeds and fertilizers, and to output markets for their products
- Indigenous knowledge is important as is the accumulated knowledge of expert breeders, soil scientists and extension workers
- The cost of developing technologies is low The need for humane, sustainable livestock production methods and the importance of local food production were also stressed.

D. Empowerment of the Poor as a Strategy for Integrated Rural Development

58. The eradication of poverty and promotion of sustainable development are dependent on the empowerment of all stakeholders in rural communities and households. Access by the rural poor to assets, services and markets and their ability to make productive and profitable use of such assets are greatly influenced by the institutional framework, which is often biased against the rural poor, especially socially excluded groups and women. Institutions responsive to the needs of the rural poor are thus a major priority in poverty-reduction strategies and in the overall strategies for accelerated, broad-based and sustainable growth.
- 59 Women's empowerment is closely linked with the issue of governance, which should be inclusive and accountable. Inclusiveness requires that

⁶ Gordon Conway and Gary Toenniessen, "Science for African food security", *Science* (21 February 2003).

Box 4. Empowerment

At the brainstorming meeting of the Economic and Social Council, it was stressed that the effort for empowerment must be focused at the level where integration really occurs, in the lives and livelihoods of the poor and marginalized. Panellists cited examples that illustrated the importance of the demand-driven approach to rural development, including existing self-help, water user and farmer cooperative groups.

IV. Creating Alliances and Partnerships

62. The key issues raised above clearly demonstrate the need to take into account the multifaceted dimensions of rural development when designing and implementing interventions for poverty eradication and sustainable development in rural areas. Long-term alliances need to be built between international agencies, national organizations, civil society and the private sector at the national, regional and international levels.
63. At the national level, the State will have to continue to play an important role in rural development to assess local resources and explore ways of exploiting their potential and raising resources. State agencies will have to play a more catalytic role in facilitating coordination between related schemes of different communities. Institutional coordination, between concerned ministries and departments at the country level and between donor agencies, needs to be strengthened to facilitate an integrated approach to rural development.
64. Concrete effect needs to be given to the International Alliance against Hunger as called for at the five-year review of the World Food Summit in June 2002. Establishment of national forums comprising diverse institutions and individuals could be supported by the existing institutional framework of the Network on Rural Development and Food Security.
65. At the regional level, the establishment of the New Partnership for Africa's Development (NEPAD) represents a significant regional development that relies on a network of partnerships, within Africa and with developed countries, multilateral organizations such as the United Nations, and civil society.
66. To mobilize political will and purposeful concerted action against hunger and to give higher priority to resource mobilization for agricultural

and rural areas, FAO presented an anti-hunger programme on the occasion of the five-year review of the World Food Summit. The programme proposes a twin-track approach to achieving food security by combining policy reforms and investment in sustainable agriculture and rural development with measures to ensure immediate access to food by the most needy.

67. The United Nations remains firmly committed to supporting government institutions in order to serve the interests of rural poor people. At the country level, the interests of the rural poor must be fully reflected in the common country assessment and United Nations Development Assistance Framework processes, as well as in Poverty Reduction Strategy Papers (PRSPs) by promoting direct participation of the relevant rural organizations and directly articulating key rural development concerns. In the area of food security and HIV/AIDS, the United Nations Development Group, in consultation with United Nations country teams and resident coordinators of most affected African countries, is coordinating the preparation of a United Nations strategy.
68. Civil society, and non-governmental organizations in particular, have been active partners in poverty-reduction initiatives and in providing relief and welfare, social services and development projects. The successful implementation of many projects and programmes is attributed in large part to the involvement of nongovernmental organizations that have better information about the poor from their local contacts and are able to reduce irregularities in the delivery of benefits arising from corruption in government bureaucracies. Non-governmental organizations, in partnership with the poor, could be agents in implementing strategies to support the livelihood of rural families and promote agricultural production that could assure food security and fight poverty.
69. Public-private partnerships to benefit poor farmers and the rural poor in general need to be strengthened. Recent public-private partnerships include the increasing participation of the private sector in developing agriculture and medical technology supportive of the poor. Governments could encourage businesses to engage with civil society and local communities in a wide range of social development projects, including various forms of rural development. Those partnerships, when properly conceived and well managed with transparency, clarity of roles and standards, corporate responsibility and social contribution, can play an im-

portant catalytic role in all categories of technological progress and innovation in agriculture, including land and water development; biochemical innovation (such as fertilizers and seed selection); and mechanical innovation such as wider use of agricultural machinery.

V. Conclusions and Recommendations

70. Accelerated rural development is essential to achieve the internationally agreed development goals, particularly the millennium development goals. While the main responsibility for development lies with the countries themselves, the international community has an important role to play in supporting national efforts and activities and contributing to an enabling environment for poverty eradication and sustainable development.
71. An integrated approach to rural development must encompass the economic, social and environmental dimensions and consist of a number of mutually reinforcing policies and programmes that address a range of issues related to rural development, but are designed to meet the specific conditions and requirements of a given country. Common elements of an integrated approach include the following:
 - Creating an enabling macroeconomic policy environment that is conducive to poverty eradication and sustainable development in rural areas (a) by according high priority to incorporating broad integrated rural development strategies designed to reduce rural poverty into the national planning and policy framework; (b) by addressing, especially through the Doha round of trade negotiations, issues of agricultural trade and market access, reduction of trade barriers and minimization of the effects of commodity price fluctuations; and (c) ensuring coherence in national and donor policies with regard to development cooperation, trade, agriculture and industry with the objective of making global trade work for the rural poor, who constitute three quarters of the world poor
 - Reversing the decline in the flow of domestic public resources and ODA going to rural areas and agriculture and creating conditions to attract greater private investment in the rural sector
 - Promoting economic growth in developing countries by strengthening agricultural and food policies, improving agricultural productivity and fostering non-farm rural economic activities and diversification in

production. Productive and remunerative on- and off-farm employment is also fundamental to achieving rural development

- Enhancing the livelihoods of rural people, starting with the rural poor; increasing the production and consumption of food and ensuring that the poor have adequate access to adequate quantities of safe, good quality food for a nutritionally adequate diet; adopting measures to ensure that the work of rural women, who continue to play a vital role in providing food security and nutrition, is recognized and valued in order to enhance their economic security, their access to and control over resources and credit schemes, services and benefits, and their empowerment
- Eliminating supply-side constraints at the national level, especially in the least developed countries (weak infrastructures and weak market intelligence) and increasing their productive capacities (increase productivity levels, upgrade products, diversify into new products and increase their overall export competitiveness). Development partners need to provide sufficient development assistance, especially for the productive sectors, and debt relief, including both bilateral and multilateral debt
- Enhancing public and private investment in rural infrastructure, preferably utilizing technology that allows maximum operation and maintenance by the users and their institutions; supporting market reform and infrastructure development to raise productivity and incomes through greater farm output and more rural farm and non-farm employment; promoting labour-intensive approaches for building and maintenance of rural infrastructure that offer new skills, employment opportunities and income for rural workers
- Increasing public investments in such areas as agricultural research and human capital development in rural areas, which do not normally attract private sector investment; increasing national and international funding earmarked for that purpose; increasing investments in the development of appropriate new technologies that are pro-poor, labour-intensive and raise on-farm and off-farm productivity
- Enhancing the access of poor rural people, especially women and smallholder farmers, to productive assets, especially land, water and other natural resources, as well as access to financial services in rural areas, including microfinance, savings and insurance facilities, and appropriate technologies for rural communities. Access to information and technology is also important to enhance their effective participation in community

management affairs and ensure that the specific needs and priorities of rural women are addressed in poverty eradication and sustainable development strategies in general, and in rural development strategies in particular

- Promoting environmentally sound and sustainable natural resource management, including by increasing the efficiency of water use in agriculture and strengthening measures to combat land degradation and desertification; integrating traditional knowledge and practices of sustainable resource use and management in the development of environmental management plans; providing economic incentives for sustainable intensification of resource-rich areas and enhancement of soil fertility in resource-poor areas; developing and promoting efficient use of sources of energy, including indigenous sources and renewable energy; assisting developing countries in providing affordable energy to rural communities
- Increasing access to social services through comprehensive national strategies to increase investments in and improve access to health, education and social services for poor people in rural and remote areas
- Addressing HIV/AIDS and rural development in an integrated manner, focused on empowerment of the poor; mainstreaming HIV/AIDS concerns into rural development planning, including poverty eradication and food security strategies, and multisectoral development activities to strengthen rural economies and social development efforts; avoiding complacency in countries with relatively low prevalence of HIV/AIDS; adopting urgent measures on an appropriate scale to avoid the onslaught of the disease
- Empowering poor people to overcome poverty by enabling them to have a larger voice in decision-making processes on resource allocation; strengthening institutions of the poor to empower poor people to determine means to improve their lives in public affairs and vis-à-vis the market; ensuring that poor rural people and their organizations participate fully in the design, development and implementation of rural development strategies and programmes; supporting or creating, at national and international levels, alliances of Governments, donors, nongovernmental organizations, civil society organizations and the private sector
- Sustaining support for African countries facing multiple crises, including the HIV/AIDS pandemic, food insecurity, famine and poverty, and weak

governance; integrating measures to strengthen health, education, human capital development services and public institutions into the rural development strategy; developing new, labour-saving agricultural and natural resource management technologies in order to maintain productivity in the face of a depleted work force

- Encouraging donor support of innovative approaches to the integration of emergency and development programmes to preserve livelihoods and protecting development gains in rural areas frequently affected by natural and man-made disasters and other economic shocks
- Recognizing that poverty affects a substantial proportion of rural households, national and international poverty reduction strategies need to target rural areas and households more systematically by integrating poverty eradication and food security objectives more firmly into Poverty Reduction Strategy Papers and the common country assessments prepared within the United Nations Development Assistance Framework.

ECOSOC Ministerial Declaration

1. We, the Ministers and Heads of Delegations participating in the high-level segment of the substantive session of 2003 of the Economic and Social Council, held from 30 June to 2 July 2003:
 - (a) Having considered the theme “Promoting an integrated approach to rural development in developing countries for poverty eradication and sustainable development”, the report of the Secretary-General on the subject⁷ and the contribution of all the participants, including civil society, in the preparatory process of the high-level segment, held on 24 March and 30 April 2003;
 - (b) Recalling the Millennium Declaration and the outcomes of the major United Nations conferences, summits and relevant special sessions of the United Nations General Assembly, including the Fourth World Conference on Women, held in Beijing in 1995, as well as the World Food Summit, held in Rome in 1996, and their five-year reviews, the International Conference on Financing for Development, held in Monterrey, Mexico, in 2002, and the World Summit on Sustainable Development, held in Johannesburg, South Africa, in 2002;
 - (c) Taking note of the fact that rural areas of developing countries are home to three quarters of the world’s poor and that insufficient progress has been made in recent years in addressing the issues of poverty, hunger and malnutrition;
 - (d) Recalling the commitment to achieve the internationally agreed development goals, including those contained in the Millennium Declaration;
 - (e) Recalling also General Assembly resolution 57/270 B of 20 December 2002, entitled “Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields”;

Have adopted the following declaration.

2. We are convinced that eradication of rural poverty and hunger is crucial for the achievement of the internationally agreed development goals,

⁷ E/2003/51.

including those contained in the Millennium Declaration. Rural development should be an integral part of national and international development policies, including bilateral donor response strategies and the activities and programmes of the United Nations system.

3. We express our serious concern regarding the famine facing millions of people, especially in Africa. Recognizing that food security is a global concern, we are committed to respond to the internationally recognized emergency food aid needs and to improve famine prevention mechanisms and long-term food security.
4. Rural development should be pursued through an integrated approach, encompassing the economic, social and environmental dimensions, taking into account the gender perspective and consisting of mutually reinforcing policies and programmes. This approach should be balanced, targeted, situation specific, locally owned, include local synergies and initiatives and be responsive to the needs of rural populations.
5. Rural development is the responsibility of each country and is predicated on an enabling national environment. An enabling international economic environment is important to support effective national development efforts, including rural development efforts. An enabling environment combines effective and coherent policies, good governance and accountable institutions at national and international levels as well as the promotion of gender equality and the promotion and protection of human rights and fundamental freedoms, including the right to development. Robust, broad-based and equitable economic growth as well as human resource development are needed to fight rural poverty.
6. In this regard, despite serious efforts to achieve progress, important issues in the implementation of the Doha Ministerial Declaration of the World Trade Organization, adopted at Doha on 20 November 2001⁸ are still outstanding, in particular regarding the commitments under the said declaration for, inter alia, comprehensive negotiations aimed at substantial improvements in market access. In the agricultural sector, without prejudging the outcome of negotiations, reductions of, with a view to phasing out, all forms of export subsidies, substantial reduction in trade-distorting domestic support and enhanced market access is needed. We recall that special and differential treatment for developing countries shall be an integral part of all elements of the negotiations and

⁸ WT/MIN (01)/DEC/1.

shall be embodied in the schedules of concessions and commitments and as appropriate in the rules and disciplines to be negotiated, so as to be operationally effective and to enable developing countries to effectively take account of their development needs, including food security and rural development. We take note of the non-trade concerns reflected in the negotiating proposals submitted by members and confirm that non-trade concerns will be taken into account in the negotiations, as provided for in the Agreement of Agriculture.

7. As for non-agricultural products, we call for reduction or, as appropriate, removal of non-tariff barriers, tariff peaks, high tariffs and tariff escalation to enhance market access, in particular for products of export interest to developing countries.
8. These matters must be urgently addressed by members of the World Trade Organization in order to ensure full implementation of the Doha Ministerial Declaration, including regarding implementation issues and special and differential treatment, and to make a success of the Ministerial Conference of the World Trade Organization to be held in Cancun, Mexico, in September 2003.
9. We invite members of the World Trade Organization to implement the commitments regarding trade-related technical assistance and capacity-building for developing countries, in particular the least developed countries, so that they can benefit from liberalized trade opportunities and adopt measures to reduce supplyside constraints, including by improving productivity and product diversification and enhancing competitiveness and community-based entrepreneurial capacity. We urge them to facilitate the accession of developing countries to the Organization, in particular the least developed countries and countries with economies in transition, taking into account the individual level of development of each country that applies for membership. In this regard, we welcome the recent agreement of the Organization to facilitate the accession of the least developed countries.
10. We recognize the vulnerability of the commodity-dependent developing countries, in particular the low-income countries, to market fluctuations and stress the need to support their efforts for the diversification of exports as a means of increasing export earnings and improving terms of trade and to address the impact of the instability of commodity prices. In this context, it is very important to empower commodity producers

in developing countries to insure themselves against risk. We underscore the need for reforming the existing facilities to respond to the needs of the rural poor.

11. We urge developed countries that have not done so to make concrete efforts towards the target of 0.7 per cent of gross national product as official development assistance to developing countries and 0.15 to 0.20 per cent of gross national product of developed countries to least developed countries, as reconfirmed at the Third United Nations Conference on Least Developed Countries, and we encourage developing countries to build on progress achieved in ensuring that official development assistance is used effectively to help achieve development goals and targets. We acknowledge the efforts of all donors, commend those donors whose official development assistance contributions exceed, reach or are increasing towards the targets, and underline the importance of undertaking to examine the means and time frames for achieving the targets and goals.
12. Food security, rural and agricultural development must be adequately addressed in the context of national development and poverty eradication as well as in multilateral and bilateral donor response strategies. To that end, we deem it necessary to increase productive investment in rural and agricultural development to achieve lasting food security. We take note with satisfaction of the undertakings made by the members of the Group of Eight, as contained in the Action Plan against Famine, especially in Africa, adopted in Evian, France, on 3 June 2003, to work towards reversing the decline of official development assistance to agriculture and increasing trade opportunities for developing countries.
13. External debt relief can play a key role in liberating resources that can then be directed towards activities consistent with attaining sustainable growth and development, and therefore, debt relief measures should, where appropriate, be pursued vigorously and expeditiously, including within the Paris and London Clubs and other relevant forums. Noting the importance of re-establishing financial viability for those developing countries facing unsustainable debt burdens, we welcome initiatives that have been undertaken to reduce outstanding indebtedness and invite further national and international measures in that regard, including, as appropriate, debt cancellation and other arrangements.

14. We are committed to empowering poor women and men to play a full and effective role in their development by enabling them to have a larger voice in decision-making processes, including: resource allocation; promoting mechanisms, including the self-organization of poor people, to influence the market and public policies; and ensuring that poor rural people and their organizations have the opportunity to participate fully in the design, development and implementation of rural development strategies and programmes.
 15. We are also committed to the empowerment of rural women at all levels and in all aspects of rural development, including agriculture, nutrition and food security, and to ensuring that the work of women is recognized and valued. We will ensure women's equal access to land, property, adequate housing, economic opportunity, credit, education, skills training and health care, economic welfare, the right to inheritance and the right to contractual agreements, as well as empowerment through full participation in decision-making at all levels.
 16. We call for greater access to financial services and labour markets for the rural poor, in particular women, indigenous people and vulnerable groups, and to this end we undertake to simplify existing mechanisms and to facilitate the establishment and strengthening of rural financial institutions, including micro-credit, savings and insurance facilities and cooperative ventures for rural development, as well as the development of professional associations and micro, small and medium-sized enterprises.
 17. We resolve to promote broad-based economic growth in developing countries and countries with economies in transition by strengthening sustainable agricultural and food policies, improving agricultural productivity, including for basic food commodities, and fostering non-farm rural economic activities.
 18. We further resolve to enhance the livelihood of the rural poor by aiming to ensure that they have access to adequate quantities of safe and nutritious food and by creating productive and remunerative on- and off-farm employment opportunities, including through the diversification of the rural economy and employment-generating strategies. In this regard, we will encourage South-South cooperation, including the sharing of experiences and best practices.
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19. We reaffirm that sustainable agriculture and rural development are essential to the implementation of an integrated approach to food security and safety in an environmentally sustainable way. We recognize the important role of rural populations in sustainably managing natural resources, including biodiversity, and in combating desertification and land degradation. We pledge to promote environmentally sound and sustainable natural resources management, including the implementation of integrated land management, sustainable forest management programmes and water-use plans and the use of traditional and indigenous knowledge and practices as well as modern technologies of sustainable resource use and management. We also acknowledge the need, subject to national legislation, to implement actions at all levels to recognize the rights of local and indigenous communities that are holders of traditional knowledge, innovations and practices and, with the approval and involvement of the holders of such knowledge, innovations and practices, to develop and implement benefit-sharing mechanisms on mutually agreed terms for their use.
20. We commit ourselves to strengthening the implementation of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa and to addressing the causes of desertification and land degradation, in order to maintain and restore land, as well as poverty resulting from land degradation.
21. We recognize the key role of alternative development strategies for sustainable development of the rural areas affected by the illicit cultivation of narcotic plants and call for the promotion of such strategies.
22. We call for concrete steps at both the national and international levels to mobilize public and private investment as well as to enhance access to credit for the development of the physical rural infrastructure in order to enhance productivity and improve access to markets and information.
23. We recognize that research and its effective application are crucial for the development and implementation of appropriate new technologies that are pro-poor and raise on- and off-farm productivity. To that end, we underline the need for measures to increase investment in agricultural research, including modern technologies, natural resources management and capacity-building. We also call for measures to enhance

and expand access to information and communication technologies in the rural areas of developing countries and countries with economies in transition.

24. We recognize the crucial importance of enhanced access of the rural poor, women and men, to productive assets, in particular land and water, and stress that priority attention should be given to the adoption of policies and the implementation of laws that guarantee well-defined and enforceable land- and water-use rights and promote legal security of tenure, recognizing the existence of different national laws and/or systems of land access and tenure.
25. We also call for enhanced access to social services for poor people in rural and remote areas. We are committed to improving access to quality education for the rural poor, especially the girl child, through increased investment and full utilization of modern techniques and technologies, including the establishment of remote education systems.
26. We recognize the critical link between HIV/AIDS, malaria, tuberculosis, cholera, typhus and other serious diseases and rural development, as well as their negative impact on the agricultural sector. We also recognize the importance of health, including reproductive health, to: rural development and the eradication of poverty; reducing infant, child and maternal mortality; combating HIV/AIDS; and promoting equality and empowerment among the rural poor, especially women.
27. We emphasize that full implementation of the Doha Declaration on the Agreement on Trade-Related Aspects of Intellectual Property Rights and public health, adopted by the World Trade Organization at Doha on 20 November 2001⁹ including its paragraph 6, is important for tackling public health problems, especially those resulting from HIV/AIDS, tuberculosis, malaria and other epidemics.
28. We are deeply concerned about the devastating impact of the global HIV/AIDS epidemic, which undermines efforts to eradicate poverty. We recognize that HIV/AIDS has serious debilitating consequences for societies, particularly in Africa. We are therefore committed to the mainstreaming of HIV/AIDS concerns into rural development planning, including poverty eradication and food security strategies and

⁹ WT/MIN (01)/DEC/2.

¹⁰ Report of the WSSD, Johannesburg, South Africa, 26 August-4 September 2002 (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

opment and the call to channel financial, technical and other types of resources towards the priorities of the New Partnership, in particular infrastructural development, health services, education, water and agriculture. We underline the importance of implementing the initiatives contained in the New Partnership, in particular those designed to enhance market access and the diversification of production in African economies, which are vulnerable because of their dependence on primary production and natural resources-based sectors.

34. We recognize the special needs of the least developed countries and reaffirm our commitment to the implementation of outcomes of the Third United Nations Conference on Least Developed Countries, in particular the elements related to rural development, enhanced market access and provision for enhanced technical assistance and support for capacity-building.
35. Recognizing also the special challenges in rural development faced by small island developing States, we reaffirm our commitment to the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States and emphasize in this regard the importance of the international meeting to be held in Mauritius in 2004. Noting also that the geographical situation of the landlocked developing countries is an added constraint on their efforts to promote rural development, we call for the implementation of specific actions related to the particular needs of those countries.
36. We underline the importance of partnerships at the national and international levels to foster collaboration among actors in different sectors. At the national and local levels, we will encourage local authorities, civil society, the private sector and local communities to launch partnerships that support and promote rural development. At the international level, we will facilitate and nurture alliances of Governments, donors, non-governmental organizations, civil society organizations and the private sector for the promotion of integrated rural development.
37. We welcome the work of the organizations of the United Nations system in eradicating rural poverty and promoting rural development and urge them to ensure that measures are implemented to simplify, harmonize and integrate assessment procedures and programming so as to reduce transaction costs and avoid additional procedural requirements for programme countries and enhance support for their efforts to achieve

- multisectoral development activities covering economic and social aspects, taking into account the particular situation of rural women.
29. Bearing in mind that the majority of indigenous people live in rural areas, we recognize the need to implement policies and programmes to eradicate poverty and achieve sustainable development that are focused on them, taking into account their traditional knowledge and their special relationship with the land.
 30. We reaffirm the goal of expanding access to safe drinking water and basic sanitation, particularly in the rural areas of developing countries and countries with economies in transition, and express our resolve to the expeditious realization of that goal, in accordance with the commitments contained in the United Nations Millennium Declaration and the Johannesburg Plan of Implementation of the World Summit on Sustainable Development.¹⁰
 31. We also reaffirm the need to improve access to reliable, affordable, economically viable, socially acceptable and environmentally sound energy services and resources, taking into account national specificities and circumstances, through various means, such as enhanced rural electrification and decentralized energy systems, increased use of renewables, cleaner liquid and gaseous fuels and enhanced energy efficiency, as well as by intensifying regional and international cooperation in support of national efforts, including through capacity-building, financial and technological assistance and innovative financing mechanisms, including at the micro- and meso-levels, recognizing the specific factors for providing access to the poor.
 32. We undertake to promote rural-urban linkages by developing and strengthening a system of intermediate-size secondary and tertiary towns to stimulate rural development, as well as to minimize the negative impacts of rural-urban migration. At the same time, we will encourage programmes and policies designed to strengthen rural service centre and small town systems, including strengthening institutions and mechanisms for local or regional planning.
 33. We are committed to responding effectively to Africa's special needs for achieving sustainable development and to lending our full support to the development and implementation of national policies and programmes for rural development in Africa. To this end, we reiterate our support for the priorities of the New Partnership for Africa's Devel-

the internationally agreed development goals, especially those contained in the Millennium Declaration. We emphasize that national and international poverty reduction strategies should target rural areas and households more systematically by integrating poverty eradication and food security as well as environmental objectives more firmly in poverty reduction strategy papers, where they exist, as well as in common country assessments and the United Nations Development Assistance Framework. We urge the international and regional financial institutions to enhance their support for rural poverty eradication and rural development in developing countries and countries with economies in transition.

38. We commit ourselves to the implementation of the present declaration and call upon civil society, the organizations of the United Nations system and other relevant actors and organizations to lend their full support to the realization of the objectives of integrated rural development for poverty eradication and sustainable development. We agree to review progress or lack thereof in the implementation of the present declaration at the substantive session of the Economic and Social Council in 2005.