



G-77/IFCC-XI/9

**ELEVENTH MEETING OF THE INTERGOVERNMENTAL FOLLOW-UP
AND COORDINATION COMMITTEE ON ECONOMIC COOPERATION
AMONG DEVELOPING COUNTRIES (IFCC-XI)
Havana, Cuba, 21-23 March 2005**

**IFAD AND SOUTH-SOUTH COOPERATION
IN AGRICULTURE AND AGRICULTURAL DEVELOPMENT**

**OFFICE OF THE CHAIRMAN OF THE GROUP OF 77
NEW YORK**



IFAD and South-South cooperation in Agriculture and Agricultural Development

1. Introduction

As a specialized United Nations Agency and an International Financial Institution partner working with the Group of 77 on development issues, IFAD is looking forward to attending the Eleventh Session of the Intergovernmental Follow-up and Coordination Committee on Economic Cooperation among Developing Countries (IFCC-XI) scheduled to be held in Havana, Cuba, from 6 to 10 September 2004.

Economic Cooperation among Developing Countries is the core of the Caracas Programme of Action. In June 1989, on the occasion of the 25th Anniversary of the Group of 77 held in Caracas, the Ministers of Foreign Affairs expressed their support for the work of IFAD and stressed that ways and means should be agreed upon to secure a sound and self-sustaining financial base for IFAD, thus ensuring the effective pursuit of its mandate into the future.

As stated in the 1997 G-77 San José Declaration, South-South cooperation is a priority for developing countries. The Fund, together with the FAO and WFP, is collaborating in a strategic alliance, complementing through financial assistance, to the achievement of the Millennium Development Goals. As a South institution, IFAD fully acknowledges the 2001 Tehran Consensus on South-South Cooperation and continues to promote and contribute to the cooperation between developing countries.

During IFAD's 27th Governing Council in February 2004, Governors reiterated that South-South Cooperation is an important part of IFAD's strategy to reach the UN Millennium Development Goals. While South-South agreements are being worked out to maximise the chances of success of the incoming rounds of trade negotiations, IFAD will continue to favour and support cooperation among developing countries.

For more than twenty five years IFAD has worked to better the lives of the rural poor in its G77 and China Member States and has thus contributed significantly to the cooperation among developing countries in the field of agriculture. The Fund believes in the strengthening of partnerships to favour the better effectiveness of development assistance. IFAD is actively promoting cooperation among developing countries as a fundamental and integrated component of its programmes.

2. IFAD and the African Union (AU)

There are ongoing consultations between African Union and IFAD to promote international cooperation among African countries and to discuss questions of mutual interest. The Fund attended with great interest the AU's Extraordinary Summit of Heads of State and Government on Agriculture and Water in Syrte, Libya, February

2004, and the AU Summit of Heads of States in July 2002. IFAD supports the AU in implementing the New Partnership for Africa's Development and contributes to NEPAD's operational framework for development.

The Fund served as rapporteur for UN agencies supporting NEPAD on agriculture, trade and market access and will update status reports for the UN Economic Commission for Africa. IFAD supported a workshop organized by ROPPA that led to a farmers' proposal to the West African heads of state. As a member of the NEPAD Support Group to advise the Secretariat on technical issues, the Fund collaborates to formulate investment projects.

In 2003, the Fund assisted the Network of Farmers' Organizations and Agricultural Producers in Western Africa, its counterparts in Eastern and Southern Africa and the National Farmers' Organization Board of Cameroon, in Central Africa, in facilitating regional consultations to analyse reports and agree on a common position for the NEPAD agricultural component. The Fund is also collaborating with MicroSave Africa, the Centre International de Développement et de Recherche and has awarded a Technical Assistance Grant to the African Rural and Agricultural Credit Association to promote rural financial service development.

3. League of Arab States: A Partnership for Cooperation

IFAD, whose partnership with the League of Arab States dates back to 1979, attended The Cairo General Meeting of the UN and the LAS (10-12 February 2002) focusing on enhanced collaboration between the two organizations. An IFAD paper on IFAD/LAS cooperation has since been incorporated into the Secretary-General's Report to the Fifty-Sixth Session of the UN General Assembly.

OPEC and the Organization of the Islamic Conference are strong supporters of IFAD which is the only IFI where developing countries have a majority of votes. Aid to OIC member countries has been used in a collaborative effort with Arab development institutions and funds. The Fund plays a significant role in supporting interregional initiatives and thus has established excellent relations with specialized agencies.

Technical Assistance Grants were provided to the Programme for Strengthening Agricultural Research and Human Resource Development in the Arabian Peninsula and to the Programme for the Establishment of a Regional Animal Disease Surveillance and Control Network in North Africa, the Middle East and the Arab Peninsula. Grants, in the amount of USD 8.8 million, are supported in cooperation with the Arab Organization for Agricultural Development and the Arab Center for the Studies of Arid Zones and Drylands. An IFAD grant was also provided in 2000 in the amount of USD 1.2 million for the Camel Applied Research and Development Network with the Arab Centre for the Studies of Arid Zones and Dry Lands as the implementing organization.

IFAD has financed over 226 projects in 36 OIC member countries for total project costs of over USD 10.0 billion. IFAD's own contribution to these projects was in excess of USD 3.0 billion, which represents about 40 percent of all IFAD loans.

4. Water or "Blue Gold"

Water issues are intricately linked to South-South cooperation and agricultural development. It is increasingly recognised that control by the poor over water is essential to realize the full benefits from their farmland. The Fund is working with the International Water Management Institute, the African Development Bank, the FAO and the World Bank to identify new approaches to investment in the agricultural water-supply sector.

IFAD believes in initiating dialogue through regional forums. Regional grants promote new approaches through research on participatory irrigation management programme (International Center for Advanced Mediterranean Agronomic Studies); the use of brackish and saline water (Arab Center for the Studies of Arid Zones and Drylands, ACSAD and ICBA); the facilitating of collaboration on trans-boundary water, Sahara and Sahel Observatory; and capacity-building for management of water demand, International Development Research Center.

In the Near East North Africa region, loans targeting small-scale irrigation, rain fed farming and rural potable water supply promote the latest technologies for improving water-use and involve the rural poor in water governance through grass-roots water users' associations. With over USD 3 billion in total cumulative lending, IFAD is the most significant source of multilateral support for agriculture and rural development in sub-Saharan Africa.

5. IFAD's electronic regional networks: Connecting People and Organizations

The Fund helps to develop a greater scope in South-South cooperation by facilitating the communication between agricultural projects in eight countries in an effort to enhance collaboration and information sharing among regions and countries.

The Electronic Networking for Rural Development in Asia and the Pacific Region, launched in 1998, is an Internet-based network linking 30 IFAD-funded rural development projects which promotes use of the Internet to improve communication between projects and partner organizations in China, India, Laos, Nepal, Pakistan, The Philippines, Sri Lanka and Viet Nam. ENRAP provides support to projects in basic connectivity, training workshops, central web site development, local Internet applications development, and knowledge-networking pilots.

FIDAFRIQUE is an Internet-based network linking 30 IFAD-funded projects and partner organizations in Western and Central Africa and is expected to lead to better informal networking between projects in Benin, Burkina Faso, Cameroun, Cape Verde, Chad, Côte d'Ivoire, Gambia, Ghana, Guinea, Mali, Mauritania, Niger, Senegal and Togo. In 2004, emphasis will be placed on building information management capacity in IFAD projects and regional partner institutions.

FIDAMERICA is a network linking 40 IFAD-funded projects in Latin America and the Caribbean and is a pioneer in terms of exchange of information and dissemination of lessons learned. FIDAMERICA provides services and activities that link use of the Internet with opportunities for face-to-face exchanges in Argentina, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominica, Equator, El Salvador, Granada, Guatemala, Guyana, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Saint-Lucia, Uruguay and Venezuela.

6. Research in Agriculture

IFAD established an extensive network with its Research for Development partners favouring South-South relations. Networks are facilitated through the Fund's Grant Programme, which supports international, regional and subregional institutions and centres of excellence such as Feed Resources for Landless and Small Farmers in Asia, the National Agricultural Research Systems, and the Consultative Group on International Agricultural Research, a network of fifteen international research centres promoting sustainable agriculture for food security operating within a South-South collaboration framework.

Transfer of Technology Models for South-South information exchange provides agricultural research grants, technology diffusion and product development. In 2003, dialogue with governments led to the replication of IFAD-funded initiatives in China, India, Pakistan and Viet Nam. In Malawi, IFAD worked with the Special Programme of Food Security South-South Cooperation where experts collaborate in fields such as crops, livestock and irrigation.

By linking agricultural producers to markets through the financing of technical assistance and arrangements with business operators and public institutions in Europe, the establishment of a Facility for Farmers' Access to Markets in the Balkans has contributed to poverty reduction in Bosnia and Herzegovina.

7. Gender

Women are efficient managers of household food security, are the most significant suppliers of family labour and need to have better control over productive assets such as land, water and credit. Removing gender inequalities is essential to achieve the MDGs.

Many IFAD projects include adult literacy training, principally targeted at women: about 20% of the projects in Africa and 50% of IFAD/Belgian Survival Fund Joint Programme (BSF-JP) projects have literacy components. Training enables women to establish their dossiers with banks thereby opening credit and savings accounts.

Water and health-related concerns are a high priority for women: chronic disease and mal nutrition severely constrain productivity and income-earning potential. Health, sanitation and nutrition components figure in 20% of projects. In Uganda, the Hoima-Kibale *Integrated Community Development Project* focused on community-based healthcare, income generation, savings and credit.

Strengthening pre-existing informal financial institutions is very effective while group-based lending enables women to overcome requirements for collateral. In the *Upper-East Region Land Conservation and Smallholder Rehabilitation Project* in Ghana, newly irrigated land was allocated to women-headed households while a rural credit scheme was set up to finance crop production and farm-related enterprises. Average net income doubled, employment increased by 36% and participants now send their children to school.

8. Post-conflict, Post-Crisis

In times of crisis, food production is placed at an enormous risk because of disruptions in farming activities. The recapitalization of conflict-affected rural sectors during a period of acute tension, conflict and transition to peace, is the main objective of IFAD interventions. In 2001, the Fund approved 25 projects of which 60% were in conflict-affected countries, for a total of USD 260 million or 64% of resources.

The Fund's involvement in post-conflict situations is based on programmes of transition of relief, rehabilitation and development, and on cooperation with the UN system, IFIs, bilateral agencies, NGOs and civil-society organizations (D.P.R. of Korea, Rwanda). In Mali, IFAD participated in a multi-actor effort to improve food and income security of populations and assisted in the reintegration of returnees after the Twareg rebellion. A quadripartite agreement resulted between Mali, Algeria, UNHCR and IFAD. The Fund's spearhead role was confirmed by the adoption of the action plan as a model for replication.

The *Belgian Survival Fund Joint Programme*, focusing on the Horn of Africa, supported 13 projects for a total of USD 63 million and placed emphasis on conflict prevention in post-war conditions. The target area covers the Great Lakes region, Central Sahel countries and Angola. The *Legal Defence Fund*, funded by IFAD in 1996 for conflict mitigation and prevention in the Philippines, was instrumental in securing the rights of communities of poor forest dwellers against the threat of large-scale exploitation of the forest resources which could have led to violence and insecurity.

The *Post-Conflict Reconstruction Programme* in Burundi, expected to start in 2005, will address the reconstruction of the economic and social tissue of rural areas to consolidate peace and reconciliation by assisting households in establishing a minimum sustainable livelihood. The programme, valued at USD 30 million, will support the transitional Government fight against HIV/AIDS, build the capacity of rural service providers and improve access by farmers' groups to information and markets.

9. IFAD's strategy for Latin America and the Caribbean (LAC)

Since 1993 IFAD 55 projects in 24 countries of the region, representing USD 636 million in IFAD loans and USD 510 million financed by other donors, borrower governments and beneficiaries. The total cumulative lending of the Fund to LAC represents USD 1.29 billion. Co-financing partners include the European Union, Inter-American Development Bank, OPEC Fund, the World Bank group, Central American Bank for Economic Integration and Caribbean Development Bank.

IFAD approved the Institutional and Policy Support Programme to Reduce Rural Poverty in the MERCOSUR area by enabling the rural poor and their organizations influence institutions of relevance to rural poverty reduction to place rural development high on ministerial agenda. It promoted the creation of communication mechanisms among MERCOSUR countries to share their development experiences. The Fund has policy discussions with Member States to set up favourable macroeconomic and institutional environment.

Grants were provided for four regional thematic networks; nine implementation support programmes working at the sub-regional level; and one policy dialogue support programme. Technical assistance is provided by the Regional Unit for Technical Assistance, the Programme for Improving the Technical Capacity of Local Organizations to Support Rural Investment Projects in Central America, Mexico and Panama, the Foundation for Training and Applied Research in Agrarian Reform, the Regional Rural Development Training Programme and the Caribbean Regional Unit for Technical Assistance.

The Foundation for International Community Assistance and the Rural Financial Services Support Programme provides access to financial assets while gender and ethnic issues are the focus of the Regional Programme in Support of the Indigenous Peoples of the Amazon Basin, PROGENDER, and the Regional Support Programme for the Development of South-American Camelids. FIDAMERICA and the Programme for Strengthening the Regional Capacity for Monitoring and Evaluation of Rural Poverty-Alleviation Projects supports Internet-based networking, knowledge management and impact assessments while the Rural Micro-enterprise Support Programme promotes market access and micro-enterprises.

In September 2003, IFAD organised the “Second Conference on Innovation and Knowledge to Reduce Rural Poverty” in Lima, Peru. This was done jointly by nine of its regional technical assistance programmes and with the collaboration of the Puno–Cusco Corridor and MARENASS projects in Peru. This was the largest meeting ever organised by IFAD in the region and aimed at drawing lessons from project innovations. There were 218 participants, coming from 26 projects and 11 IFAD regional programmes. Participants came from 23 countries with 32 indigenous peasant organisations, 28 NGOs, universities and government agencies, and 17 international development agencies.

10. Asia and the Pacific Islands

Since 1978, IFAD has funded 153 investment projects in the region for a total of USD 2.4 billion. IFAD’s strategy concentrates on women and marginalized minorities by changing unequal gender relations to increase women’s ownership and control of assets, and their effective participation in community management affairs. The Fund hopes to enhance the productivity of staple food in less favoured areas, to reform property and tenurial rights of various marginalized minorities and indigenous peoples. IFAD works to expand the capabilities of the rural poor through greater access to self-help, local accumulation, new skills and technologies.

IFAD prepared a strategy for re-engagement in the Pacific islands and it is expected that specific programmes will be developed in the context of the implementation of the Brussels Plan of Action for LDCs, LLDCs; SIDs. Through the Electronic Networking for Rural Asia/Pacific, national networks are connected to each other and might be connected to the South Asian Association for Regional Cooperation (SAARC) or the Association of South East Asian Nations (ASEAN) and East Asian Countries networks forming a regional network.

Women’s development needs and interests have been addressed by the National Microfinance Support Programme in India and the proposed Community Development Programme in Pakistan, in Azad Jammu and Kashmir, where the IFAD Asia division organized a gender workshop as part of the Japanese-funded Gender Programme for Asia. Positive experiences with these initiatives influenced local and national policy environments, opening up opportunities for their replication and general institutionalization.

IFAD employs many regional consultants for project design. These nationals help build a strategy for development and provide valuable implementation support. The Fund also organises workshops where indigenous people from various regions all over Asia come together to share experiences. Technical Assistance Grants are also provided to foster agricultural research between countries.