



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



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Statement by

Lennart Båge
President

International Fund for Agricultural Development

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Lennart Båge
President, International Fund for Agricultural Development
At the Development Committee of the World Bank and IMF
Washington, DC
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It is an honor to be a part of this session of the Development Committee. This Committee convenes at a sobering time. It is a time of division and uncertainty, of conflict and of famine. Yet, it is also a time of hope. As this session demonstrates, it is a time when nations can set aside differences to focus on aims that unite rather than divide, aims such as ending poverty, halting the spread of disease, and extending education, water and sanitation to all the world's people.

United in the cause of human progress, the global community has reason for optimism. Together, we are generating real results in the campaign to end poverty. Hundreds of millions of poor rural people have overcome poverty. Clearly, it is within our power as a global community to meet the central challenge posed by the Millennium Development Goals: halving extreme poverty by 2015.

Yet, our task is far from complete. With 1.2 billion people struggling to survive every day on less than a single dollar, poverty is very much still with us. Its consequences – hunger, epidemic disease, migration, environmental erosion and strife – continue to ensnare far too many people. Famine, too, continues to pose a striking challenge. In Africa alone, some 38 million people in 21 countries are threatened by a famine. Africa simultaneously faces an AIDS epidemic that has taken the lives of some 20 million Africans and infected an additional 30 million. By weakening Africa's families, its agricultural sector, and the ability of its governments to provide public services, AIDS is increasing vulnerability to famine and exacerbating the poverty situation. In turn, deepening food insecurity and poverty, and weakening public institutions, are creating conditions for the wider spread of the HIV/AIDS pandemic. There is a serious risk in parts of Africa that the three interlinked crises of HIV/AIDS, food insecurity and erosion of public institutions are being caught in a vicious cycle.

Clearly, to achieve the Millennium Development Goals in this context, we must do more, but we must not simply do more of the same. Our efforts need a new focus if they are to be successful. Today, too little of the world's attention goes to developing rural communities. Not only are most of the extreme poor rural, but, in most low-income countries, the rural poor represent the large minority, or even the majority of the population.

It is these poor rural producers who hold the keys to achieving the Millennium Development Goals. Increasing their productivity would not only mean more income in their hands, but also more food on their plates. This would also increase food supplies for urban populations. Furthermore, better-off producers can build on growing rural output and buying power to

enhance their own production. This can trigger a virtuous cycle of rural development and urban progress. In fact, for most low-income countries the best way to achieve higher overall economic growth is by bringing about more rapid rural development.

Agriculture and related rural activities are the largest source of employment in most low-income countries, generate the bulk of exports and account for a substantial proportion of overall GDP. Moreover, it should be remembered that historically, growth in agricultural productivity, incomes and output provided the foundation for economic growth in today's industrialized countries and have done so in recent years in the industrializing countries in East Asia. Rapid and sustained rural development could play the same role in accelerating growth in today's poor countries.

Despite these clear benefits for poverty reduction and wide economic development, funding for agriculture and rural development has dropped by 50% over the past 15 years. Here again, however, there is room for optimism. There is a growing international recognition that achieving the Millennium Development Goals demands a reinvigorated focus on the development of rural communities and the agricultural sector.

We saw this recognition at the Financing for Development Conference in Monterrey and at the Rome World Food Summit last year. We saw it at Johannesburg at the World Summit on Sustainable Development; and we saw it in the NEPAD agreement. We will see this much-needed recognition again in Geneva, when the Economic and Social Committee will devote this year's High-Level Segment to "Promoting an integrated approach to rural development in developing countries for poverty eradication and sustainable development." It is my hope that this spirit will also prevail in Cancun during the next WTO Ministerial Meeting.

The recently concluded negotiations on IFAD's Sixth Replenishment also stand as testimony to the resurgence of commitment to rural areas. The Replenishment reached a significantly higher level than the previous Replenishment. Developing Member States of IFAD contribute more than 20% of the total Replenishment resources, highlighting the high priority they attach to rural development.

The successful replenishment is a strong recognition by nations -- rich and poor, donor and recipient -- of the potential and urgency of enabling the rural poor to overcome their poverty. We look forward to working with all of our development partners, particularly the poor, to build on this progress, and to turn resources into results in rural communities.

Thank you.