



**REPORT OF THE WORLD BANK  
RURAL WEEK 2000  
28-31 MARCH 2000**

The World Bank's Rural Week met from Tuesday through Friday, 28-31 March 2000, at the Westfields Conference Center in Chantilly, Virginia. The meeting focused on "Poverty or Prosperity: Rural People in a Globalized Economy." The event was attended by over 450 Bank staff, including approximately 100 field staff, as well as almost 50 individuals representing governments, academia, the private sector and international organizations, including the Food and Agriculture Organization (FAO), the US Agency for International Development (USAID), the Australian Agency for International Development (AusAID), the Consultative Group for International Agricultural Research (CGIAR), the UK Department for International Development (DFID) and the European Union (EU).

This meeting was the fourth annual Rural Week. Prior to 1997 the World Bank held eighteen annual Agriculture Symposia, but the title was changed to recognize and expand the event's consideration of the people and communities in rural areas in addition to agricultural issues. Participants at Rural Week 2000 addressed the situation of the rural poor in the era of globalization in four Plenary sessions, seventeen parallel sessions and six regional breakout sessions.

An "InfoFair" was held from 29-30 March to inform participants of the many strategies, initiatives, tools, systems and sources of information available for rural development. A number of regions and organizations displayed exhibits, including: an African region booth on empowering local communities; the Rural Integrative Data System exhibit on sourcing specific World Bank information; a booth on activities of the World Bank Institute to enable Learning Through Technology and Partnership; and the US Department of Agriculture's exhibit on Building Market Capacity for Rural Development.

**OPENING REMARKS**

Robert Thompson, Director of the World Bank Rural Development Department (RDV), welcomed the Rural Week 2000 participants, noting the meeting's theme of rural people in the globalized economy. He emphasized the importance of alleviating poverty in rural areas, where the majority of the poor live.

Paul O'Connell, RDV, presented the film "Millennium Video," produced by Walt Disney for the World Bank. He noted the film's message on the goal of creating a world free of poverty and its aim to educate the privileged public about poverty. Participants viewed the short film, which states that all people of the world should be able to "feed, shelter and educate themselves in order to live in dignity," and emphasizes the important role that access to water and health care can

play in alleviating poverty. After the film, Thompson underscored the importance of communicating to the developed world the reality of poverty.

James D. Wolfensohn, World Bank President, communicated to Rural Week participants via video. He noted the world's population is currently 6 billion people, with an expected increase of 2 billion over the next 25 years. He emphasized the goal of ensuring that attention is focused not only on increasing agricultural yields, but also on developing an integrated rural development programme. He highlighted the importance of developing a comprehensive approach relating agriculture activities to the broader context of the private sector, provision of agriculture services, education and health, and called on participants to consider the impact of technological advances. With regard to the RDV's ongoing strategy, "Rural Development: From Vision to Action", Wolfensohn urged the RDV to make the transition from vision to action and to foster partnerships with other institutions. He noted the RDV will need to take budget cuts this year, and called on participants to find and focus on ways to cut back.

Ian Johnson, Vice-President of the World Bank Environmentally and Socially Sustainable Development (ESSD), touched upon geopolitical and social problems associated with rising incomes and population pressures. He said these challenges to sustainability necessitate closer integration between the Bank's rural, environment and social policy teams in a creative effort to take people out of poverty for the long-term. He gave an overview of the past half-century of Bank-supported economic development, from comprehensive approaches to finance and fiscal management to Marshall Plan capital investments in physical infrastructure and their related enabling managerial environments, to the pursuit of environmental and social safeguard policies. Johnson said poverty involves not just low income and lack of access to services but also unsatisfactory economic growth and socio-political powerlessness. He emphasized the need to address growing poverty gaps, post-conflict challenges for the poor, political disengagement and social exclusion of the poor, and under-pricing and depletion of biodiversity, forests, soils and water. He called for accounting for social and natural capital in addition to physical and human capital. He noted that unfettered global markets and private investment flows currently outstrip development aid and often undermine rural sustainable development, but that they could be redirected to capture non-market and long-term benefits through efforts that value ecological services such as the prototype carbon sequestration investment fund. He suggested that the Bank strategically collaborate with new global institutions and environmental treaties, particularly regarding global trade, climate change, desertification, biodiversity loss and biosafety, in light of their direct relevance to the rural development family. Noting the ecological tradeoffs associated with imprudent uses of technology, he stated that biotechnology and crop

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development are often not dedicated to the needs of the rural poor, natural habitats and pest management, and affirmed that science and technology investments and research should be considered alongside community-level rural development, natural habitat conservation and food security. In closing, he emphasized that the task of encouraging country teams goes beyond simple, myopic approaches towards sustainable development options driven by global environmental imperatives and the social agendas of inclusion and civic engagement.

### PLENARY SESSIONS

**Rural Poverty: An Action Framework:** On Wednesday, 29 March, Robert Thompson, RDV Director, addressed participants in a Plenary session. He called for World Bank leadership in an action-oriented framework for rural poverty alleviation in conjunction with participatory sustainable natural resource management and enhancement of agricultural productivity. Noting linkages between lack of purchasing power, food insecurity and poverty, he stressed the need to dynamize farmer and non-farmer rural economies via electrification, legal structures, telecommunications, education and health care. He lamented recent loss to retirement of 25% of the Bank's senior technical staff and the rural portfolio's declining performance rating: a sustainability index of 33%. He recommended that: country directors and regional vice-presidents be persuaded to renew commitments to rural concerns; rural development staff advocate for and build the political clout of the rural poor; and best practices be documented and ongoing experience be reviewed utilizing alternative performance quality measures. Thompson drew attention to the combined effects of increasing population and income growth on sustainability and on land-use conflicts between urbanization, commodity and subsistence agriculture, biodiversity conservation, and commercial and environmental service demands for water and forests, including carbon sequestration. He concluded by emphasizing the role of technology in sustainably increasing rural productivity in local agro-ecosystems.

Participants discussed reasons behind the Bank's reduced commitment to rural development: task manager concerns over the high probability of unsatisfactory outcomes for rural projects; unavailable and inadequate dissemination of information on best practices, assumptions that rural out-migration to cities solves the rural low income and poverty problems; and a general development and infrastructure bias towards urban areas. A debate emerged regarding the relative importance of technological research and development geared for the rural sector on the one hand and inadequate policies and bureaucratic institutions on the other. Similarly, participants expressed concern over the disincentives for cooperation between rural sector and other Bank sector staff, especially regarding community-driven development and sustainable natural resource management. Thompson endorsed a recommendation that poverty reduction strategies support rural strategies in economic, educational, health and infrastructural sectors, regardless of upcoming Bank budget crunches.

**Agricultural Growth, Rural Development and Poverty Reduction: Non-Tradables and Balanced Growth:** On Wednesday, 29 March, Csaba Csaki, World Bank Europe and Central Asia Environmentally Socially Sustainable Development Unit, chaired an afternoon Plenary session comprised of a keynote speaker and three panelists. John Mellor, Abt Associates Inc., stressed that it is not possible to skip steps in the progression from agricultural growth to rural development to poverty reduction. Stressing the OECD commitment to halve poverty by 2015, he noted the slowing of progress in the 1990s toward this goal. Emphasizing that the structure of growth is the critical factor for poverty reduction, he stated that: the primary means to alleviate poverty is through increased employment; the production of "non-tradables" dominates employment growth, which requires effective demand; rising agricultural incomes are the dominant source of demand for non-tradables; and raising agricultural incomes requires public action. He added

that exports (tradable) raise income, higher income attracts increased farm production and higher farm incomes increase demand for non-tradables and create employment.

Mellor highlighted recent data showing that growth in urban incomes has no effect on rural poverty and little effect on urban poverty, but that rural income growth reduces both rural and urban poverty. He also noted that agricultural growth has little effect on poverty reduction when incomes and assets are highly skewed and drew attention to significant lags in the impact of agricultural growth on poverty. Mellor commented that employment is created by rural and market town small enterprises, that effective demand is the main constraint and that demand comes from farmers and other rural people, not from national metropolis or international areas. He observed that in low income countries much of the economy is non-tradable, but that many of the products will become tradables. For stimulating agricultural growth, he stressed: better public policy to improve prices; technological change, necessitating public institutions; public-sponsored infrastructure improvement to reduce transaction costs; and expansion of demand for high intensity output. Noting historical urban-bias in policies, he stressed "pro-poor" growth and foreign aid for strengthening pro-agriculture forces. In consequence, the poor and Africa have suffered the most. He stressed balanced growth between the tradable and non-tradable sectors, greater public attention to agriculture and the critical role of foreign aid.

Responding to Mellor's presentation, Julio Berdeque, President of the Red Internacional de Metodologías de Investigación de Sistemas de Producción (RIMISP), asked how to emphasize production of non-tradables in today's era of trade liberalization and how to meet the criteria of high secondary education and low inequality in income distribution.

Christina Malmberg Calvo, Senior Economist for the World Bank's World Development Report 2000/1, highlighted features of the draft World Development Report on Poverty. She explained that the report synthesizes analytical and policy dialogue information and puts forth recommendations. She said the report takes a sectoral approach and is based on three cross-cutting themes: empowerment, security and opportunity.

Jeni Klugman, Poverty Reduction and Management Network, drew attention to the lack of progress in poverty outcomes, including the worsening of poverty in some countries. She stressed that Poverty Reduction Strategy Papers (PRSP) must be based on a comprehensive understanding of the nature of poverty, encompassing security and other issues as well as community participation. She said the poverty-reducing potential of key sub-sectors must be exploited. She called for RDV involvement in the joint work being conducted between the International Monetary Fund (IMF) and the World Bank to help frame the evolving poverty agenda.

In the ensuing discussion, one participant drew attention to the global trend of consolidation within the agriculture sector, with many smallholders exiting the sector. He said small farmers are faced with tough competition and asked how to select a growth strategy for smallholders to make them competitive. One participant suggested that non-tradables are on the decline. In response, Mellor said the supply and demand of non-tradables is elastic in agriculture-based areas, and suggested that urbanization has a negative impact on non-tradables. Another participant questioned whether agriculture growth should be the engine for rural poverty reduction. Mellor said countries doing well have an agriculture sector growth rate of 4%, and said horticulture can be export driven. In closing he noted that many governments have an urban bias, and underscored the need to include agriculture in PRSP to motivate government action.

**Poverty Elimination, Rural Livelihoods and Sustainable Development:** Andrew Bennett, Chief Natural Resources Advisor to DFID, gave an overview of the UK Overseas Development Institution's reorientation from aid concerns toward DFID's objectives of poverty elimination and decentralized rural livelihood strategies for the poor,

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consistent with EU trade policies and the interdisciplinary principles of sustainable development which include trust, compromise, negotiation, good governance, labor standards and human rights. He noted the challenge of increasing pressures on a decreasing and aging development staff alongside ever more complex agendas and imperatives and higher expectations. Bennett suggested that the transaction costs of preparing "beautiful" project cycle documents and elaborate tables may be prohibitive, given the need for proportionally prioritized activities in the field and changing national and international objectives towards poverty elimination, universal primary education and health care, gender equity, reduction of infant mortality, and national strategies and new institutions to address sustainable development, food security, climate change, biodiversity loss and desertification. He said negative outcomes such as unintended consequences of subsidies, price distortions and fears regarding livelihoods and biosafety require further attention. He also drew attention to issues facing the poor living with AIDS and in post-Cold War conflicts. He expressed astonishment at the lack of coherence between donor strategies and theories of poverty elimination in light of the overall consensus on the causes of poverty, including lack of access to, *inter alia*, productive assets, financial markets, credit, health care, political stability and human rights. He supported the people-centered comprehensive development framework adopted by the World Bank and the poverty reduction approaches focused on participatory national strategies, sustainable livelihoods and international debt relief. Bennett stressed the continued danger of comprehensive rural development attempting to "do too much all at once with bogus institutions" without careful attention to, *inter alia*, cross-sectoral points of entry and departure, sustainable livelihood strategies, civic engagement of the world's poor, and institutional arrangements. He said that national strategies for sustainable development ought to include: strong political commitment and local ownership; adequate national capacity; full participation by communities; sustainable management of natural resource assets; sharing of information on best practices; strategic social, poverty and environmental assessments; and recognition of the diverse perceptions and technological choices concerning sustainability.

**Rural Sector Strategy: Revisiting the Vision and Action:** On Thursday March 30, participants met in a Plenary session to set the frame for revisiting the RDV's strategy. Robert Thompson introduced the process of review and update of the Rural Sector Strategy – "Rural Development: From Vision to Action" – being launched during Rural Week 2000. Two panel members presented on regional rural development experiences. Sushma Ganguly, RDV Africa Technical Family, outlined progress in the African region. She highlighted the rural development strategy and related workshops, and underscored the challenge of the HIV/AIDS crisis. She highlighted multisectoral approaches and decentralization, and stressed that local capacity is necessarily multisectoral. Noting examples from South Africa, Uganda, Malawi, Mozambique and Nigeria, Ganguly underscored that differing country situations require different rural development strategies. She emphasized issues surrounding the process on the client side, including the importance of strong political leadership.

Malcolm Bale, World Bank East Asia and the Pacific Region, presented lessons learned in East Asia and the Pacific. Speaking on Vietnam, he noted the constraints on and incremental character of progress due to the operating environment. He stated that: selective policy changes are appropriate; and persistent and patient policy dialogue is needed. Regarding the Philippines, he noted extensive consultation in developing a document on promoting rural growth. He stressed the need to include all stakeholders from the outset, get buy-in from a broad range of ministries and learn from past lessons in the country.

**Findings of Phase II Evaluation of "From Vision to Action":** At Lunch on Thursday, 30 March, participants were briefed on the evaluation of "From Vision to Action." Christopher D. Gerrard, World Bank Operations Evaluation Department, explained that the evaluation of

"From Vision to Action" is being conducted in three phases ("in-house," "in-country," and "in the field"), and presented the draft results of Phase II of the evaluation. He noted the evaluation is based on three questions: how relevant the strategy is to clients' needs; how effective World Bank partners perceive the work of the RDV to be; and how much progress is being made in implementing "From Vision to Action." He noted a positive correlation between satisfaction with Country Assistance Strategies and countries with a rural population greater than 70%, but noted a drop in the project satisfaction rate in the period 1998-99. He noted areas of agreement with World Bank partners, including on the overall strategy and participatory approach, and identified areas of disagreement on: use of market-based approaches to achieve rural development goals; feasibility of decentralization in many rural areas; and failure to acknowledge possible conflict among the four major goals (poverty alleviation, widely shared growth, food security and sustainable natural resource management). In the question and answer period, one participant noted the need to bridge the gap between underlying assumptions of the World Bank and client countries.

### PARALLEL SESSIONS

**Integrated Approach to Risk Management:** Participants discussed new and innovative approaches to managing commodity and yield risk in rural areas, highlighting the potential and the limitations of the approaches, individually and as a group.

Paul Siegel, Department of Economics and Management, Tel Hai College, presented a paper on new approaches to managing commodity price and yield risk in rural areas. The paper looks at risk management by the poor and vulnerable through an asset-based approach. He remarked that there is no "one size fits all" solution to risk management because the situation and needs of the rural poor vary and poverty and vulnerability are dynamic. He identified empowerment, security and opportunity as keys to combating poverty and suggested proactive means to managing risk, including reduction, mitigation and coping.

Nawal Kamel and Michel Debatisse, RDV, presented a paper on an integrated approach to risk management through commodity price insurance. The paper discusses the need for international intermediation to bridge the gap between providers of risk management instruments and entities in developing countries that lack access to such instruments. It suggests that an international intermediating instrument could provide core services and technical assistance to clients, provide partial guarantees and act as a "pass-through" between providers and users of risk management instruments. Because the intermediation instrument would only be involved in the wholesale level, the paper also recommends that local transmission mechanisms be established to provide insurance to small scale producers, including producer associations and cooperatives, commodity traders, local banks, micro-credit institutions and governments.

Participants discussed research being conducted on how to lower risk through crop diversification as an example of science working with local and indigenous knowledge. One participant highlighted experiences with disaster insurance in Turkey following the 1999 earthquakes. Participants also discussed, *inter alia*: methods for encouraging countries to be proactive; linkages between income stability and commodity stability; and the risks to agriculture inherent to trade liberalization.

**Agricultural Services and the Poor:** Cornelius de Haan, RDV, chaired this session focused on the poverty impacts of current changes in the financing, provision and organization of agricultural services. Julio Berdeque, President of RIMISP, presented on agricultural services, institutions and poverty alleviation. He said that paths out of poverty include the migration "exit path", the on-farm rural employment and "pluri-activity path", the safety net and income transfer "assistential paths", and the agricultural path. He emphasized that much of the rural poverty debate aims to increase farm incomes of poor farmers, yet many rural poor are landless and their poverty often leads

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to greater dependence on non-agricultural income strategies. He said that agricultural services are not very effective aids to support rural livelihood strategies.

As an alternative to agricultural extension and research, Berdeque supported innovation systems and social capital investments that embrace: heterogeneous and broad-based livelihood strategies; specialized division of labor; cost efficiency and competitive market-driven options for lowering food costs and increasing wages and jobs in non-agricultural sectors linked to or separate from agriculture; sustained efforts not restricted to centralized governmental decision-making; participatory technology development; farmer-farmer extension and collaborative arrangements such as joint NGO-national agricultural research center initiatives and subcontracting. He said that public interventions have a major role in ensuring labor standards, good governance and equitable distribution of benefits. He highlighted innovation opportunities in non-traditional products, non-agricultural micro-enterprises, agro- and eco-tourism and environmental services.

Vinod Ahuja, Associate Professor, Indian Institute of Management in Ahmedabad, detailed problems associated with current policy subsidies in the veterinary sector in India, particularly that farmers are willing to pay for non-subsidized livestock services, such as animal breeding and vaccinations, yet veterinarians actually pocket the subsidies. He recommended that such subsidies be eliminated and greater attention be paid to how the poor are targeted and what they are willing to pay for in terms of agricultural services.

Peter Hazel, International Food Policy Research Institute, argued for increasing support for agricultural research and development for "crops of the poor" and on-farm adoption of sustainable agro-technologies and marginal agro-ecosystems where poor farmers live. He said that past focus on irrigated and high potential rainfall areas, basic food grains and medium- to large-sized farms where agricultural productivity returns were highest were not necessarily the best strategy for alleviating rural poverty. He said that market failure, globalization and the privatization of key agricultural services, such as marketing, input supply and agricultural research, further marginalize poor smallholders and landless laborers. He recommended that "pro-poor agricultural research" be directed towards: diversification of smallholder farming techniques; increased employment of landless workers; agricultural intensification; participatory research methods; elimination of subsidies for mechanization; securing of rural property rights; and extension services aimed at all farm sizes. He concluded that public sector research and development institutions, such as CGIAR, can relinquish some of their traditional functions while focusing more on poverty alleviation and environmental problems in areas not profitable to the private sector but important to poor people's livelihoods. In the ensuing discussion, participants considered ways of creating incentives to restructure agricultural research and civil service, such as establishing public agricultural research centers; up-scaling and replicating effective approaches; and looking beyond research and extension towards operational innovation systems for generation and dissemination of new agricultural technologies.

**Trade Globalization With Equity:** Tracy Simbi, Special Adviser, Ministry of Agriculture, South Africa, discussed the impacts of the WTO on agriculture in the Southern Africa region. She noted shifts in production patterns in response to changes in the relative risks and prices that confront farmers, such as a shift from grains to oilseeds, and from field crops to horticulture and livestock production. She identified key issues for the next WTO negotiation, including the placement of tariffs on processed exports, and its reinforcement of the role of developing countries as a source of raw materials. She said trade liberalization has achieved some macroeconomic goals, including lower inflation and lower prices of food, but identified negative impacts on food security and equity.

Rolf Moehler, former Deputy-Director General of the European Commission, addressed the question of equity. He summarized issues in negotiations on agricultural trade, including: the reduction of subsidies; the response of agriculture to globalization; the future shape of domestic support to agriculture; and the situation of developing countries. He predicted future negotiations may result in increased market access through an increase in the volume of existing tariff rate quotas or the creation of new tariff rate quotas. He also forecast the reduction of export subsidies and domestic support. With regard to addressing environmental issues within the WTO, he supported doing so only if the following criteria are met: recognition that a certain practice presents a serious threat to the environment; agreement that trade restrictions are a suitable means to protect the environment; and agreement that trade restrictions are permissible. With regard to international trade rules and the rural poor, he said that while domestic distribution of wealth cannot be regulated by international trade rules, an indirect effect can be felt because distribution of wealth is tied to the success of agriculture trade.

Alberto Valdes, RDV, focused on two themes, domestic dilemmas and issues and international concerns. He stressed better access for exports, better dispute resolution, and clearer sanitation rules. He said tension surrounding trade liberalization stems from a desire to protect local farmers and suggested compensation to sectors that are losers in trade liberalization. He commented that domestic debates often address the impact of imports but there are gains in being able to export because export sectors are often labor intensive, resulting in increased employment.

Hans Binswanger, World Bank Africa Region Rural Development and Environment Department, presented a paper on "The High-Level Round Table on Trade And Development: Directions for the Twenty-first Century." He noted broad agreement that economic growth alone is not adequate to alleviate poverty and that equitable income distribution is also critical. He said developing countries follow international trade policies that penalize their agriculture sectors, and the lack of free trade has hurt developing countries.

In the ensuing discussion, one participant asked what commodities should be liberalized to help developing countries most. Valdes responded that sugar and dairy products are the most distorted commodities and would thus have the greatest impact. One participant suggested the debate should also take the impact of technology into consideration. Regarding what trade policy should be encouraged, Simbi encouraged empowerment of farmers through land reform, rural infrastructure development, extension services and awareness-raising about markets and how to negotiate within them.

**Community-Driven Rural Infrastructure:** Philippe Dongier of the World Bank Transport, Water and Urban Development Department, Water and Sanitation Unit, gave an overview of Community-Driven Development (CDD) principles and recommended that they be included in the World Bank's Poverty Reduction Strategy Sourcebook. He stated that CDD: gives community organizations authority over resource allocation decisions and internal resources; comprises a diverse range of larger approaches and institutional arrangements; promotes social inclusion and gender strategies; and supports clear exit strategies and accountability measures.

Elinor Ostrom, Director of the Workshop in Political Theory and Policy Analysis at Indiana University, spoke on a portfolio approach to CDD based upon myriad institutional arrangements through education, training and the support of networks of reciprocity and trust, and private and public entrepreneurship. Ostrom said "the market" versus "the State" dichotomy regarding governance and the provision of goods is an outmoded idea given: the variety of social structures, competitive markets, public service industries, hierarchies, contractual arrangements, alliances and coordinating institutions that exist; the inability of non-authoritarian states to monopolize legitimate uses of force; and the necessary deployment of a variety of portfolio options for solving sustainability problems involving local public service quality relevant

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to the rural poor and the provision, production and allocation of scarce goods and benefits. She emphasized that provision and production do not need to be managed by the same public service industry or institutions since diverse coordination mechanisms enable polycentric forms of social capital. Ostrom concluded that successful CDD involves: designs that are specific to particular goods; use of existing social capital; complementary local and external assets; the co-provision and co-production of services between stakeholders; open information flows; transparency; participant monitoring; accountability; dispute resolution; coordination mechanisms; patience and tolerance; incentives for innovation and entrepreneurship; and polycentric options for promoting diverse forms of self-governing initiatives.

Stephen Bruchett, World Bank Transport, Water and Urban Development Department, Water and Sanitation Unit, spoke on a Zambian experience in creating a social fund to support rural transportation infrastructure. He said that the capacity and level of enterprise at local levels tend to be under-estimated, as are the issues of rural technical support and property rights. He concluded that while "polycentric portfolio approaches" such as Zambia's social fund and rural investment need not be problematic, there remains concern about overlapping and competing institutional and public-private needs.

Participants discussed the merits of not following blueprints and the challenges caused by the variety of CDD institutional arrangements. One participant questioned the myth of the state, given the power of states to impose producer taxes on rural farmers who have no political voice and tendencies to bypass existing government structures. Others raised the issues of the myth of the benevolent state and the complexity of "community" given formal and informal social hierarchies.

**Land Policy Issues and Projects in Collaborating Institutions:** In this session, specialists from partner organizations described their institutions' strategies and specific projects they are involved in, with the goal of promoting exchange of ideas and collaboration at strategic and operational levels. Bruce Moore, Popular Coalition for the Eradication of Hunger and Poverty, called for a multi-stakeholder approach since civil society initiatives without government support will not succeed.

Jim Ridell, FAO, noted that land constitutes a major focus of the FAO's partnership with the World Bank. Julian Quan, DFID, summarized legislative and land reform experiences, mainly from Africa. Willi Zimmerman, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), stressed the close linkages between land and good governance, and highlighted experiences from Eastern Europe and post-conflict societies. Jolyne Sankaj, USAID, outlined a number of promising experiences in Latin America, many in partnership with the World Bank. Ken Lyons, the Australian Agency for International Development (AusAID), commented on preconditions for land titling schemes.

All participants agreed on the need to devote more attention to land issues and on pooling different institutions' comparative advantages to respond more effectively to increasing demands from client countries. The World Bank Land Policy Thematic Group was seen to have an important task in linking and exploiting synergies with donors.

**Water, Food and Rural Development:** This session considered how governments, NGOs and the private sector can participate in the implementation of more effective actions and programs. Manuel Conguich spoke on behalf of the Mexican Undersecretary of Rural Development, José Antonio Mendoza Zazueta. He highlighted government initiatives for rural development in Mexico and the benefits of water projects in the States of Oaxaca and Puebla as well as their role in facilitating understanding of the use of water as an instrument for well-being. He stressed technological change, linkages between agricultural and non-agricultural activities and women's participation.

Bart Schultz, President, International Commission for Irrigation and Drainage (ICID), distinguished different kinds, functions and features of NGOs related to future strategies for irrigation and drainage. Highlighting ICID objectives and views, he stressed that stakeholders must

take responsibility for the operation and maintenance of irrigation systems and that institutional reforms and privatization are required. On the role of the private sector, Robert Meaney, Valmont Industries Inc., highlighted the benefits of Valmont's operations and products. He said the private sector's role is to provide models for profitable activities, make profits to raise prosperity, provide new opportunities for rural people and invest in people and assets.

Sudarshan Surywanshi, International Development Enterprises (IDE), pointed to the use of technical, agronomic, institutional and management techniques for development. He detailed IDE's promotion of affordable and efficient water technologies.

In general discussion, emphasis was placed on need for good maintenance, institutional accountability, and the accessibility of small farmers to new technology and markets.

**Innovative Approaches on Financial Services Associations and Other Grassroots Financial Associations at the Community Level:**

Mohamed Tounessi, World Bank Country Portfolio Manager for Benin and Nigeria, described the Community Development Committee and Financial Services Associations (FSA) in Benin which provide a community development programme through a village bank owned by resource-poor people. He explained that community ownership and control over funds through their own savings in the FSA as a micro-finance scheme contributes to community economic growth, ownership, control, outreach and sustainability. He highlighted the essential elements, structure, lending protocols, launching and management cycles, strengths, weaknesses, status and beneficiaries of the FSA. He noted the total unit cost of FSA establishment of US \$13,500 as a start-up grant on which the scheme will "fly or die" over two years. Responding to questions on the FSA, Tounessi noted monitoring and accounting systems and said individuals who manage the FSA do so voluntarily but can receive bonuses.

**Importance of Gender in Rural Poverty Reduction: From Project to Policy Level Indicators:** Mark Blackden, World Bank Poverty Reduction and Management of Gender Equity Division, emphasized the centrality of gender in rural agriculture and hence development. He suggested that the RDV contribute to current debates about what poverty is, how to diagnose poverty and what priority actions and policies might be useful, and delineating indicators of performance.

Boubacar Macalou, Gender Analysis Trainer in World Bank-supported public resource management projects in Mali and Indonesia, described experiences and outcomes in deploying Strategic Social and Gender Analysis (SAGA). Both projects aimed to solicit full participation of beneficiaries, including men, women, foreigners, local peoples, all socio-economic and professional groups, farmers, pastoralists, fishers and wood-cutters. He said the Mali project created and implemented an environmental monitoring system, enabling rural communities to manage their natural resources, diagnose watersheds and design land use plans. He also emphasized that the roles, constraints, preferences and needs of men and women are different, such that women continue to be the predominant social actors in rural agriculture. For example, in one village men were concerned about mechanization while women sought more soap and permanent potable water sources. Macalou contended that SAGA approaches enable the redesigning of each project objective and outcome. One participant emphasized the need for girls' education. Participants expressed different opinions on whether the World Bank should intervene in gender equity initiatives in light of cultural differences. Session organizers emphasized that the social inclusion of women in rural agricultural development projects is imperative for effective sustainable development in light of women's crucial role in contributing 50-75% of all rural agricultural labor initiatives. Responding to questions, Blackden stressed the fact that many project transaction costs occur in the field, the impediments of a risk averse approach, the need for government involvement when scaling up, decentralization, and the lack of local informed analytical capacity.

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**Understanding Rural-Urban Linkages and Rural Non-farm economies for Growth and Poverty Alleviation:** Anthony Pellegrini, Director, World Bank Urban Development Department, chaired the session and drew attention to the recent World Bank Workshop on Rural-Urban Linkages and Interactions. He noted that the transition from rural to urban can be the result of either growth or migration, and underscored the need to distinguish the problems of the urban and the rural poor. He also stressed that dynamics are region-specific and that development of regional action plans could be useful.

Mike Douglas, University of Hawaii, commented that mutually beneficial urban/rural linkages and interdependencies are often overlooked. He stressed context, recommending that rural clusters be developed by connecting villages via roads and local transportation and that specialization in diverse activities be encouraged among villages. He predicted that investment in production will result in an increase in demand for products and create a multiplier effect in rural areas.

Serge Snrech, Club du Sahel/OECD, presented a paper co-authored with Jean-Marie Cour, Club du Sahel/OECD. He noted mega-trends in West Africa since 1930, including a ten-fold increase in population growth, a one hundred-fold increase in urban populations and a four-fold increase in rural populations. He remarked that cities represent the largest and fastest growing market for farmers and that growth in market size means that market demand is becoming stronger and more diverse over time, creating room for new products and new production areas – implying that regional trade in agro-food products is expected to grow steadily in the coming decades. He drew attention to development of peri-urban farming and noted that peri-urban farming has advantages such as proximity to urban markets and export circuits and access to a young and educated work force. He commented that when the poor enter the market economy, policies and projects can assist them to improve their situation. He also underscored the need to encourage local diversity and to foster urban-rural synergies.

Tom Reardon, Michigan State University, spoke on the rural non-farm economy with a focus on the rural household. He noted the percentage of non-farm income is approximately 40% of total household income in rural areas, and remarked that the great part of rural non-farm income comes from the service sector. He said this implies that poor zones need rural non-farm income the most, but unfortunately have the least capacity to stimulate it. He suggested addressing this by, *inter alia*: encouraging investment; studying links to external markets; collecting market information; developing specific infrastructure; and empowering rural entrepreneurs to compete in non-local markets.

**From Subsistence to Sustainability: Community Driven-Approaches to Rural Development:** In this session, a panel of task managers commented on their community-based development project experiences. Highlighting lessons from Ghana, Rudolph Polson, World Bank Africa Technical Family, stressed, *inter alia*, intensity of local politics, problems with NGOs, interagency rivalry, participation and the need for tailored messages. Ashok Seth, South Asia Rural Development Sector Unit, noted key strategy elements regarding projects in India, including flexibility, empowerment, emphasis on capacity building, convergence with other programs and strengthening of accountability mechanisms. He highlighted lessons such as empowerment through grass roots organizations and greater involvement of women, and risks such as lack of accessibility to institutional finance.

Tulio Barbosa, Latin American and Caribbean Region Resident Agricultural Staff in Recife, highlighted the extensive reach and benefits of projects in northeast Brazil. He noted underestimation of community potential and stressed monitoring systems and development of social capital. Christian Pieri, RDV, emphasized accessibility of farmers to knowledge, impact measurements and innovative financial mechanisms. Regarding experiences in Mexico, Adolfo Brizzi, Latin American and Caribbean Region Country Unit Mexico-Field, emphasized that community-based development is a way to build on decentralization processes and provides a basis for integration of the rural sector

with the rest of economy. Philippe Dongier, World Bank Transportation, Water and Urban Development Department, Water and Sanitation Unit, noted the potential of community-based development to provide greater control and increase efficiency, sustainability and social capital. He stressed the diversity of workable community-based development models depending on circumstances. Regarding African countries, Talib Esmail, World Bank Africa Technical Family, commented on how to scale up community driven natural resource management geographically. He emphasized creating enabling conditions for the macro policy and legal environment, ensuring productive first entry points, and considering the tradeoffs in and sequencing to promote scaling up.

Responding to questions, panelists emphasized, *inter alia*: the importance of building trust; the role of projects in producing social capital at the municipal level and improving governance at the local level; and coordination of grants and tailoring of messages. One participant supported a bottom-up instrumental and needs-based approach over a top-down rational and interventionist approach. He supported exploiting economies of scale, persistence in scaling up and the importance of local knowledge. In summing up, panelists stressed: decentralized management information systems; social mobilization as a means to economic activities rather than an end; coordinated infrastructure development with local government bodies; caution in prioritizing through local bodies; networking among farmers; and use of both top-down and bottom-up approaches.

**Integrated Pest Management (IPM): More Profit, Less Risk:** Chair Agnes Kiss, World Bank Africa Environment Division, stressed "taking on" a rural agriculturalist rather than an environmentalist perspective. She highlighted the continued conceptual problem of identifying IPM as solely an environmental issue handled by environmentalists concerned with pesticide hazards rather than an agricultural development issue associated with overall rural development and economic growth strategies. She also noted the current shift of emphasis from IPM as a safeguard policy of "do-no-harm" to a forward-looking rural operational tool aimed at enhancing sustainability.

Harry van der Wulp, World Bank ESSD Anchor for the Operational Directive for Pesticides and Pesticide Management and the Global IPM Facility, said the World Bank IPM safeguard policy was indispensable because much of the present use of pesticides is unnecessary, uneconomic, unsustainable, toxic to users and the environment, and narrowly focused on chemical control without adequate technical or economic justifications. He stated that IPM is a mix of farmer-driven and agro-ecologically-based pest control practices aimed at increasing agricultural productivity and farmer incomes and reducing reliance on synthetic chemical pesticides with their associated environmental and health hazards. He emphasized that IPM can reduce production costs, increase profits, and be applied to both large- and small-scale agriculture.

Ho Roberto Sebastian, Former Secretary of Agriculture, Philippines, described IPM as a clean, people-centered technology in the midst of rapid, misguided technological progress defiant of nature's self-limiting principles. He stressed the importance of certified seeds, water management, organic fertilizers, biocontrol and the empowerment of small farmers through on-farm IPM field schools. However, he contended that IPM principles are not for national-level applications, given the specificity of local contexts. As CEO of the Marsman-Dysdale Agribusiness Group, he pursues company-wide stewardship in IPM for banana, mango, okra and asparagus. He concluded that smallholders and contract labor can use IPM on their own and welcomed attempts to implement IPM in Africa, Asia, Eastern Europe, Latin America, and the Middle East.

Peter Kenmore, Coordinator of the Global IPM Facility, spoke on globalization, rural people and opportunities for IPM. He said IPM should focus on national programs for high value horticultural crops and reduced pest problems, and can increase agricultural incomes by

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reducing toxic pesticide costs and overuse. Gerd Fleicher, RDV economist and IPM specialist, said that IPM can play economic and institutional roles. He pointed out that World Bank initiatives regarding environment, public health, the polluter pays principle and globalized trade and food markets is crucial given agricultural, environmental, health and social problems at the rural level.

Trjaart Schillhorn van Veen, World Bank Turkmenistan ESSD Office, presented a case study of a pilot World Bank project in Turkmenistan aimed at revamping Soviet and community biocontrol centers and efforts in the degraded cotton-growing and irrigated areas of the Aral Sea. He said the initiative: combines seasonal use of beneficial and parasitic insects to control cotton damage by pests; devises contractual arrangements with farmers for organic agriculture; and receives local support because it increases rural employment and empower farmers to do their own IPM research.

Dely P. Gapasin, World Bank East Asia Division, described the World Bank's IPM Training Project in Indonesia's "rice bowl." She summarized the initiative's successful integration of: strong farmer advocates for IPM; environmentally-sound crop production systems; farmer-to-farmer training and technology transfer; participatory studies regarding occupational health, habitats and gender equity; support for environmental management institutions and policies to regulate pesticide use; improved farmer health; and better awareness of pesticides' environmental effects. She concluded that IPM reduced pesticide costs and use while improving farmer knowledge and incomes. Participants discussed the necessity to take Asian IPM experiences to other parts of the world, noting the crucial role of decentralized IPM initiatives, farmer-to-farmer experiential learning, collective action driven by IPM field schools, and regional farmer groups. One participant noted that IPM projects remain costly, ranging from US \$30 per farmer in Asia to US \$80-\$100 per farmer in Africa.

**Rural Finance:** This session elaborated on the status of the World Bank's Rural Finance portfolio and discussed innovations in Rural Finance projects. Highlighting a case study in Romania, Rodrigo Chaves, Operational Core Service Network Knowledge Management (OCSKM), stressed that rural finance requires market institutions to allow assets to carry debt. Stephanie Charitonienko, OCSKM, underscored that although neither the number nor volume of rural finance projects are expected to increase in the next few years, greater emphasis should be placed on projects to improve the policy environment, the legal and regulatory framework and institutional capacity. Highlighting a case study in Azerbaijan, Roy Southworth, ESSD, noted that the problem of rural finance cannot be solved by merely providing a credit line. He recommended further work on legal and institutional frameworks using sustainable rural financial intermediaries.

**Rural Poverty: Guidelines for Preparing the Rural Section of a PRSP:** Jeni Klugman, World Bank Poverty Reduction and Management Network (PRMN), introduced the draft outline of the rural chapter of the PRSP Sourcebook, which provides information on macroeconomic influences, agriculture and non-agriculture income, patterns of consumption expenditure and food security. Nazmul Chaudhur, PRMN, said the aim of the rural chapter is to assist client country staff to develop the part of the PRSP concerned with reducing rural poverty. He noted that the chapter: attempts to fulfill an advocacy function for rural development; provides a simple framework for collecting/analyzing information on rural poverty; and adopts a "layered" approach. He stressed that the chapter is not a stand-alone document but should be read in conjunction with other Bank material on rural development and other chapters of the toolkit. Nwanze Okidegbe, RDV, spoke on monitoring rural poverty through, *inter alia*, monitoring and evaluation systems, rural score cards and rural data systems. Participants agreed the Sourcebook is important because it plays a role in determining the extent to which rural sector issues are taken into account. One participant remarked that linkages with other chapters are more important than the rural chapter itself. Some participants opposed having a rural

chapter as it could detract from how rural issues can be addressed within the other chapters. One participant commented that the proposed outline for the chapter was too complex and prescriptive, and expressed preference for a menu of options.

**Forests and the Poor: The Impact of Globalization:** Odin Knudson, RDV Senior Advisor, chaired this session. J.F.M. Arnold, Oxford University, discussed linkages between forests and the poor, the ability of poor to access the potential benefits of forest resources, and the relationship between the increasing global value placed on forests and the increasing market value of forest products. He noted the poor often rely on forest products to supplement their incomes out of necessity. He distinguished between "coping" and "growth" situations of forest use and stressed the need to develop support programs appropriate to each use. He said growth situations must be managed while protecting the interests of the poor. Noting that forests are likely to be managed as common property, he identified issues stemming from collective management such as: failure of governments to empower locals; local institutions favoring entrepreneurial, political and bureaucratic desires rather than the interests of the poor; heterogeneous and fractured communities with conflicting interests; and the lack of effective conflict resolution mechanisms. He remarked that donor pressure for collective management as a means of low cost conservation can weaken local "ownership," and commented that a focus on global biodiversity rather than local values can impose constraints and hardships on local users by prohibiting or limiting activities of local importance. On market liberalization, he said market pressure can undermine local collective control, leading to privatization and loss of government subsidies and making sustainable forestry unaffordable.

Julia Falconer, World Bank South Asia Operational Region, outlined the forest and poverty context in South Asia. Commenting that the fate of the forests and those who live near them are intertwined, she noted high and growing levels of poverty, and commented that 22% of the world's population relies on 2% of world forests. S.S. Bajaj, India Joint Forest Management (JFM), presented a case study on JFM in Mahya Pradesh. Paola Agostini, FAO, overviewed a GEF medium-size grant project promoting biodiversity conservation through cultivating shade-grown coffee. Noting that only 2% of forests remain in El Salvador and that these forests are used to cultivate shade-grown coffee, she explained the intent of the project is to determine whether the coffee sector can protect biodiversity and forests. She noted that cultivating shade-grown coffee has led to greater economic stability because it is a niche product and thus benefits from greater price stability than regular coffee. She detailed project components, including provision of extension services, product certification and marketing, and biological and socioeconomic monitoring.

**Public/Private Cooperation:** This section examined the nature, scope, risks and rewards of public-private cooperation (PPC). Joko Said Damardjati, Director of the Horticulture Department – Indonesia, RDV, called for clearer public-private partnerships. Joost van der Burg, Plant Research International, Netherlands, stressed mutual trust and profit from collaboration. On scope and definition of PPC, it was recognized that each party must contribute some resources, have an interest at stake and expect some benefit. Rewards of PPC include: acceleration of economic growth; poverty reduction; improved sustainable use of resources; enhanced public sector capacity; development of input supply sectors; saving of public funds; strengthening of producers organizations; better delivery of goods and services; and promotion of competition. Risks identified include: monopoly power; drain of public resources by misallocation and potential financial loss for the private sector.

Antonia Bahia Filho, Director General, Maize and Sorghum Research Center, Brazil, stressed that the World Bank should create conditions to encourage new enterprises. He highlighted a successful system in Brazil of franchising maize genetics among small- and medium-sized seed companies. He referred to the corn seed industry in

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Brazil to highlight the risks of concentration of decision power in developing country agricultural systems where the primary concern is maximization of profits. Mario Silva Campos, Association of Maize Seed Producers (UNIMILHO), Brazil, suggested that coordinating systems should be assisted and encouraged, and outlined UNIMILHO's main functions of coordination, training and collaborating in product development. Discussion highlighted the importance of the commitment, competence and courage of the public sector to cooperate with the private sector.

**Strategic Operational Approaches to Developing Agricultural Markets and Agro-enterprises:** Michel Debatisse, World Bank Africa Technical Family, chaired this session on making agricultural market performance chains more efficient in view of: international demands for global tracking of agricultural product origins; changing processing and transportation practices; and trends in consumption preferences and food safety standards. Daniele P. Giovannucci, World Bank Market and Agribusiness Thematic Team (MATT), summarized the World Bank's agribusiness framework. He underscored that agribusiness cuts across agricultural, service and industrial sectors. On the relative value of agriculture, he said that agro-enterprises comprise 20% to 70% of developing country GDP, yet are often dismissed in rural food security, employment and development initiatives. He explained that agribusiness can refer to commercial agro-market systems, whereas agro-enterprises include actors involved not in agricultural production itself but in product processing, handling and trading. Giovannucci highlighted four myths regarding agribusiness: it is assumed to be big, although most (80%) of the world's agribusiness is rural and small-scale; because agribusiness is associated with the private sector it is assumed to not warrant development practitioner attention, yet its success is linked to government interventions and international standards; agribusiness food trading and commodity circulation are allegedly a small economic niche, yet their diverse and cross-sectoral nature makes them a springboard for industrial development; and agribusinesses is seen as a danger to growers, yet well-developed agribusiness sectors are dependent on farm profitability, inputs, outputs, technological information, and market demands for specific agricultural products. He suggested that supply-driven agro-markets are obsolete since alternative markets now link growers to consumer markets and distribution networks.

Steven Jaffee, Novartis, gave an overview of trends in globalization and international agribusiness convergence and their implications for the World Bank. He summarized fears of globalization as pertaining to: homogenization trends in diets and consumer preferences; concentration of wealth and power; the dominance of monocultures; the effects of remote bureaucracies trampling on national sovereignty; and increasing marginalization of agricultural workers and farmers. He noted, however, that: agribusiness is far less global than other industries; most agricultural markets are locally-based for domestic consumption; food consumption patterns, habits, and cultures continue to be diverse; and powerful consumer advocacy groups influence agro-market trends. He discussed trends in agribusiness and market convergence that make developing country clients of the Bank rule-takers rather than rule-makers: the international convergence in agribusiness standards negotiated between Europe and the US; demand convergence of tastes, eating habits and food-related ethical values for agro-products among the world's wealthy; business restructuring convergence in global food retailing and service distribution in Europe and the Americas; and the increase in trade of high-value foods by 50%-60% in select developing countries. He said agro-market opportunities exist in: peri-urban, urban and wealthy rural areas of the global South and East; diverse ethnic and ethical agro-market niches; public-private alliances; and franchising technology. He concluded that globalization is a "double-edged sword" that will benefit the organized and marginalize those not organized or unable to understand agricultural market demands.

Ron Kopicki, Supply Chain Advisor to World Bank Africa Region, gave an overview on how agro-market supply chains align agricultural sources, producers, deliverers, quality control and consumers through a variety of transactional processes associated with production, scheduling, distribution requirements, warehouse management, and transportation planning. He said supply chains involve the management of product, cash, ownership rights and market information flows between cultivators, growers, wholesalers and retailers. He concluded by suggesting that the World Bank intervene at multiple entry points along different agribusiness market chains.

Patrick Labaste, MATT Co-chair and RDV Africa Region, spoke on trends in agribusiness development, food markets and potential new roles for governments. He stressed that consumers and retailers have created agro-markets based on a new set of criteria: quality and freshness of product; presentation; taste; culture; eating habits and fashions; health-promoting bioproducts; standardization; and the traceability of food ingredients. He said developing countries face challenges in regaining their market share in agricultural commodities lost over the past 30 years and risk being relegated to being raw material suppliers. Regarding the role of government, Labaste pointed to an emerging 1990s paradigm that sees agro-markets and comparative advantages as economic growth engines requiring government regulation, unlike the 1980s paradigm of *laissez faire* markets or the 1950s-1970s paradigm of government control. He called for a major government role for ensuring that gross agro-business benefits are equitably distributed.

Giovannucci introduced the Bank's new web-based "Guide to Developing Agricultural Markets and Agro-Enterprises" (<http://wbln0018.worldbank.org/essd/essd.nsf/agroenterprise/agro-guide>). The guide aims to provide a "living tool kit" for development professionals working to improve and assess the performance of agricultural markets and agro-enterprises in developing countries. The guide covers themes such as: agricultural markets and agribusiness; agro-policies and regulations; food safety standards; post-harvest processing; cooperatives; agro-financial investments; and international aspects of agro-trade.

**Food Insecurity and Vulnerability Information and Mapping Systems:** Lynn Brown, RDV, chaired this session aimed at linking food insecurity and vulnerability information with mapping systems (FIVIMS) and actions to strengthen agricultural and rural statistics, particularly in Africa. She emphasized the importance of inter-agency and intra-agency communication regarding data system protocols and exchange.

David C. Wilcock, FAO FIVIMS Secretariat, described the origins, objectives and structures of FAO-Bank coordinated FIVIMS initiatives. FIVIMS originated in 1996 in response to requests by South American delegates at the World Food Summit for "hunger mapping." FIVIMS aims to contribute to the reduction of food insecurity and vulnerability through: awareness building; improvement of accessibility and use of sub-national and national food security information systems at country and global levels; and inter-agency and national coordination, consensus-building and networking on food security information systems. FIVIMS comprises an Inter-Agency Working Group that includes CGIAR centers, bilateral agencies, UN Agencies and the World Bank. He concluded by describing FIVIMS' achievements thus far, such as the Start-up Kit and Guidelines for the Establishment of National FIVIMS, various software products and the 1999 State of Food Insecurity in the World (SOFI) Report.

David Marshall, FAO Statistics Division, spoke on linkages between food insecurity and vulnerability included in the joint initiative between the FAO, World Bank, USDA and participating African countries that aims at strengthening national systems of food and agricultural statistics. He said the FAO's statistical databases on agriculture, forestry and fisheries are the largest and most up-to-date in the world and include time series data on production, trade, agriculture inputs, and land use. He conceded, however, that the quality of data is only as good as the data provided by national statistical systems. He highlighted various



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initiatives, including: the 1990 Addis Ababa Plan for Statistical Development in Africa and its ten-year review; a FAO-World Bank-USDA-sponsored workshop held from 23-25 June 1999 in Conakry, Guinea on ways to strengthen African national systems of food and agricultural statistics; and the new Partnership in Statistics for Development in the 21st Century (PARIS21) process aimed at statistical capacity-building programs in highly indebted poor countries. Constraints he identified included, *inter alia*: lack of qualified staff to design, test and synthesize surveys; lack of record-keeping and the high per-household survey cost; lack of political support and commitment; and poor data integration. He concluded by describing the integrated approach taken by the FIVIMS project as, *inter alia*, partnership-oriented, user-driven, and long-term focused. Ensuing discussion centered on a number of controversial topics. Several participants were surprised to learn of the PARIS21 process and wanted clarification about the accuracy of the SOFI report. One participant expressed concern about confusion between information and data and between acceptable and useless data. Another participant added that the problem of statistical data quality in developing countries should be a high UN priority, otherwise rural poverty strategies will be based on misleading data and information. One donor representative reminded participants that the linkage between food insecurity mapping and actions beyond food aid objectives toward poverty elimination was absent. The FAO speakers responded that: data access and accuracy is a crucial issue; aggregate national-level scales for maps are based on smaller-scale local and sub-national maps; information of use to policy makers and rural communities can be extracted creatively from existing data maps; and protocols for the quality and sharing of databases will continue to be a challenge.

**Role of Agriculture Technology in Rural Development:** Robert Evenson, Director, Economic Growth Center, Yale University, highlighted findings of a study on crop germplasm improvement. Emphasizing the impacts of modern varietal improvements,

He distinguished the processes of moving toward the best practice technological frontier and moving the technological frontier itself. He stressed that moving the frontier itself is difficult but can increase the value of all activities that move towards it. He emphasized the importance of public sector research.

Shawki Barghouti, RDV, noted the role of public sector research in facilitating and providing an enabling environment for private sector investment in agricultural technologies. Stressing the need to understand regional requirements and differences, he supported further public sector action to enhance private sector activity.

Ashok Seth, World Bank South Asia Rural Development Sector Unit, highlighted World Bank efforts to improve the quantity and quality of technology flow, and to address poverty and sustainability issues. He called for a greater private sector role in critical areas and better management systems and noted issues concerning intellectual property.

Jacob Kampen, World Bank Africa Technical Family, stressed moving producers in sub-Saharan Africa closer to the best practices frontier and using institutions to move the frontier itself. Noting the inability of local producers to compete with foreign producers, he stressed the need to: support public/private sector partnerships; improve the enabling environment; and focus on priorities in the region.

The ensuing discussion focused on improving the overall agenda and on whether there has been progress in addressing poverty. Session Chair Andrew J. Bennett, Chief Natural Resources Adviser, DFID and Chair of the CGIAR Oversight Committee, noted the session's messages can be applied to the ongoing CGIAR review.

### CLOSING PLENARY

**REGIONAL REPORTS:** The six regional focus areas met on Thursday afternoon in breakout sessions to identify key issues and opportunities for moving the rural vision to prioritized actions, and reported on the outcomes of their discussions in Plenary on Friday.

**East Asia:** The East Asia group identified five key factors affecting rural development: off-farm employment/income generation; institutional capacity; sustainable natural resource management; access to rural finance; and appropriate technology. On sustainable natural resource management, the group noted that key issues are distorted incentives, poor governance and inappropriate resource mobilization. The group suggested the World Bank should, *inter alia*, continue project lending, recruit staff with diversified skills and create natural resource management law enforcement programs. On access to finance, the group said policy distortions such as subsidized interest rates and conflicts with other donors must be addressed.

**Europe and Central Asia:** This regional group suggested actions for poverty reduction, including: creating private and transparent land ownership and land markets; facilitating emergence of transparent markets for production inputs and outputs; promoting export; create private, sustainable financial systems; developing appropriate policy, legal and institutional frameworks; and increasing attention to natural resource management. The group's projected outcomes from these actions included: completed land privatization and emergence of land markets; increased market transparency, commercialization and export growth; increased lending for rural activities; and improved land and water use.

**Africa:** The Africa Region group recommended that community participation initiatives stress the need to harmonize multidisciplinary approaches and to develop techniques for transparent financial management. Outcomes identified were empowerment and improved resource flow. On rural infrastructure, the group supported encouraging private sector participation and capacity strengthening within local institutions. It identified outcomes including reduced transaction costs for inputs and outputs and improved planning and management capacity. Regarding technology, the group suggested capacity building at local levels and targeted investment in technology-related infrastructure. On governance, prioritized actions included fiscal and administrative decentralization and institutional legal reform. On education, recommendations were made on investment in information infrastructure and training of teachers and trainees. The group identified enhanced non-farm employability and incomes as results. Regarding HIV/AIDS, the region supported improving health delivery systems and community-based health care, integrating modern medical systems and strengthening prevention programs leading to longer life expectancy and other benefits. Concerning markets and agro-enterprises, the group recommended removing trade distortions to encourage export growth and value-added exports and secure transboundary resources. Regarding natural resources, the group suggested actions to secure land tenure, create an enabling environment and improve management of water, soil and forests.

**South Asia:** The South Asian group highlighted institutions, natural resource management and mitigation of natural disasters, private sector development, agricultural growth, governance and partnerships. Regarding necessary actions, the group identified, *inter alia*: rationalization of public and private sector roles; increased investment in rural infrastructure; increased involvement in poverty-targeted and community-driven programmes targeting vulnerable groups; enhancement of agricultural activities through technology; participatory approaches; development of partnerships; and improved portfolio management. Outcomes identified included: improved institutional capacity for delivery of services; improved opportunities for private sector involvement; agricultural growth; sustainable cost-effective water services;

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management of conflicts and competition between sectors in order to achieve sustainable use of water; good governance; and social and economic empowerment of the poor.

**Middle East and North Africa:** This group provided an overview of key issues and constraints facing rural development in their region, noting areas of progress and further needs. The group's representative said water scarcity represents the region's predominant constraint, but he highlighted progress in water strategies, policy changes and pricing, integrated and participatory approaches to water resources, and improved country and donor coordination. He recommended an institutional shift towards integrating water and agricultural policies through more participatory partnerships with the private sector and larger constituencies over longer periods. On rural well-being, the group noted progress made through social funds, social safety nets, and regional development projects. It recommended that new rural strategies: emphasize local institutions; promote decentralization; and integrate poverty alleviation with comprehensive action programs for agriculture, infrastructure development, off-farm activities and human capacity development. The speaker for the group said that while market-led growth through exchange rate reforms and liberalization was taking place in the region, more efforts are required to enhance liberalization and privatization and promote a sustainable environment, foreign trade improvements, and information-sharing for market growth. Regarding off-farm concerns, the group highlighted networking, basic analyses and the search for points of entry as part of its new rural action strategy.

**Latin America and the Caribbean:** This group agreed on their achievements in: demand-driven rural investment funds, market-assisted land reform in Brazil and land titling projects. The group identified activities the regional staff "does well but is not recognized for," including agricultural technology transfer to small farmers. The group pointed to irrigation and upper watershed management, rural finance and poverty assessment as areas needing strengthening. The group concurred that GEF projects have entailed piloting an innovative environmental portfolio that includes carbon sequestration, promotion of indigenous peoples rights, and forest certification. On principles of embedded successful operations, the group highlighted the need to put beneficiaries in charge, ensure demand-driven and community-based market possibilities, and integrate environmental, social and rural aspects of poverty alleviation. The group called for, *inter alia*, new approaches to link the poor to outside technology and regional markets and to strengthen conflict resolution.

**A Multi-Regional Multi-Dimensional Group:** This group, composed of World Bank policy and technical staff and representatives of governments, agribusiness firms and partner international institutions, discussed issues including: the ownership of the "From Vision to Action" strategy by regions; dialogues with countries on "vision to action" updates; capacity building on trade issues; the lack of practical orientations in policy directives; the need to balance World Bank sector and project work. The group recommended developing sets of qualitative rural development indicators. On intermediate steps for improving World Bank support for rural development through private sector involvement, the group proposed a policy review vis-a-vis the private sector forum between the World Bank, the private sector, governments and civil society. The World Bank's role was described as one of: convening policy dialogues between stakeholders; providing capacity-building and modular training of clients in areas pertinent to rural resource management and development; and sharing negative experiences and best practices with interested partners and the public. On key objectives, the group emphasized that better poverty reduction interventions require early warning systems, new lending instruments, and the establishment of a new forum to promote private sector participation.

**LOOKING FORWARD:** Commenting on the regional presentations, Robert Thompson identified a number of common themes: natural resource management; market access and trade; and rural credit and finance. He also acknowledged a broad-based commitment to insti-

tutional strengthening and to creating a participatory and enabling environment. He remarked that the focus of rural development has broadened to a more integrated approach encompassing more than just agriculture as the vehicle for poverty reduction. He underscored the need to find ways to "break down walls between sectors" at the World Bank as well as between relevant partner governmental institutions.

Recalling that critics of the "From Vision to Action" strategy felt that it is "too vague", with "lofty goals," Thompson stressed that the dynamics of growth and the role of agriculture must be addressed in revisiting the strategy. He drew attention to the theme of decentralization, community action and a participatory approach that emerged at Rural Week 2000 and suggested these form the foundation for a new strategy.

Noting that 20% of farmers produce 80% of the world's food, he said the large farmers will be well served by markets, but expressed concern over the profitability of the 80% of farmers that make 20% of the world's food, emphasizing that their access to markets must somehow be ensured. He also drew attention to, *inter alia*: the importance of private sector development for future growth; increasing the role of agriculture technology; the need to study the effect of public policy on agriculture; and the need to develop risk management and measures to protect the rural poor from the impact of world market shocks.

He outlined the plan for revising the rural strategy, based on a consultative approach involving clients and partners around the world, and advanced the target date for revising the strategy to December 2000 from June 2001. He thanked Rural Week 2000 participants and organizers for their contributions to making the meeting a success. In closing, he stressed his commitment to making progress at the fastest rate possible and adjourned the meeting at 12:30 pm.

### THINGS TO LOOK FOR

**COPENHAGEN+5:** The Preparatory Committee for the Special Session of the General Assembly on the Implementation of the Outcome of the World Summit for Social Development (WSSD) and Further Initiatives will hold its second substantive session in New York from 3-14 April 2000. The Special Session will be held from 26-30 June 2000 in Geneva, Switzerland. For more information contact: Gloria Kan, Chief of Intergovernmental Policy Branch, Division for Social Policy Development, Department of Economic and Social Affairs, United Nations, Room DC2-1362, New York, NY 10017, USA; Tel: +1-212-963-5873; Fax: +1-212-963-3062; E-mail: kan@un.org; Internet: <http://www.un.org/esa/socdev/geneva2000>.

**INTERNATIONAL SYMPOSIUM ON INTEGRATED WATER RESOURCES MANAGEMENT:** This meeting is scheduled for 9-12 April 2000 in Davis, California, USA. For more information contact: Miguel A. Marino, 139 Veihmeyer Hall (LAWR), University of California, Davis, CA. 95616-8628, USA; Tel: +1-530-752-0684; E-mail: [mamarino@ucdavis.edu](mailto:mamarino@ucdavis.edu); Internet: <http://www-cwww.ucdavis.edu/hydrology/symposium.html>.

**EIGHTH SESSION OF THE COMMISSION ON SUSTAINABLE DEVELOPMENT:** CSD-8 will meet in New York from 24 April - 5 May 2000 to consider integrated planning and management of land resources, agriculture, and financial resources/trade and investment/economic growth. For more information contact: Andrey Vasilyev, Division for Sustainable Development; Tel: +1-212-963-5949; E-mail: [vasilyev@un.org](mailto:vasilyev@un.org); Internet: [http://www.un.org/esa/sustdev/csd8/csd8\\_2000.html](http://www.un.org/esa/sustdev/csd8/csd8_2000.html). For major groups information contact: Zehra Aydin-Sipos, Major Groups Focal Point, Division for Sustainable Development; Tel: +1-212-963-8811; Fax: +1-212-963-1267; E-mail: [aydin@un.org](mailto:aydin@un.org).

**GEF-NGO CONSULTATION:** NGO Consultations with the GEF Secretariat and implementing agencies will take place on 8 May and 31 October 2000 at GEF Headquarters in Washington, DC. The GEF

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Council will meet from 9-11 May and 1-3 November 2000. For more information contact: GEF Secretariat, 1818 H Street, NW, Washington DC, 20433, USA; Tel: +1-202-473-0508; Fax: +1-202-522-3240; Internet: <http://www.gefweb.org>.

### **INTERNATIONAL CONFERENCE ON THE FUTURE OF THE MEDITERRANEAN RURAL ENVIRONMENT: PROSPECTS FOR SUSTAINABLE LAND USE AND MANAGEMENT:**

To be held in Menemen, Turkey from 8-11 May 2000, this conference will address the future and sustainable development of Mediterranean rural areas. For more information visit: [http://www.silsoe.cranfield.ac.uk/ForthcomingEvents/turkish\\_conference.html](http://www.silsoe.cranfield.ac.uk/ForthcomingEvents/turkish_conference.html)

**CONVENTION ON BIOLOGICAL DIVERSITY:** The fifth Conference of Parties to the Convention on Biodiversity will be held from 15-26 May 2000 in Nairobi, Kenya. For more information contact: CBD Secretariat, World Trade Center, 393 St.-Jacques W., Suite 300, Montreal, Quebec, H2Y 1N9, Canada; Tel: +1-514-288-2220; Fax: +1-514-288-6588; E-mail: [chm@biodiv.org](mailto:chm@biodiv.org); Internet: <http://www.biodiv.org>.

**CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH MID-TERM MEETING (CGIAR MTM2000):** This CGIAR mid-term meeting will convene in Dresden, Germany from 21-26 May 2000 with the theme of "Charting the CGIAR's Future - A New Vision for 2010." The meeting is being hosted by the German Federal Ministry of Economic Cooperation and Development and will be held in conjunction with the Global Forum on Agricultural Research (GFAR2000). For more information contact CGIAR in Washington DC, USA; Tel: +1-202-473-8951; Fax: +1-202-473-8110; E-mail: [cgiar@worldbank.org](mailto:cgiar@worldbank.org) or [cgiar@cgn.net](mailto:cgiar@cgn.net); Internet: <http://www.worldbank.org/html/cgiar/publications/mtm00/mtm00.html>.

**GLOBAL FORUM ON AGRICULTURAL RESEARCH (GFAR2000):** Held in conjunction with the CGIAR mid-term meeting, this Global Forum will be held 21-23 May 2000 in Dresden, Germany. For more information contact: Dr. Reinhild Ernst, Global Forum Coordinator; Tel: +49-0-228-53992-45; E-mail: [beaf.germany@t-online.de](mailto:beaf.germany@t-online.de); Internet: <http://www.fao.org/nars/gfar2000> or <http://www.beaf.org>.

### **INTERNATIONAL CONFERENCE ON SUSTAINABLE AGRICULTURE IN THE NEXT MILLENNIUM - THE IMPACT OF BIOTECHNOLOGY ON DEVELOPING COUNTRIES:**

This conference will be held from 29-31 May 2000 in Brussels, Belgium. It is being organized by Friends of the Earth, Oxfam Solidarity Belgium and the Dag Hammerskjöld Foundation, with support from the European Commission. For more information contact: Olivier Christ, Friends of the Earth Europe, 29, Rue Blanche, B-1060 Brussels, Belgium; Fax: +32-2-537-55-96; E-mail: [Olivier.Christ@foeeurope.org](mailto:Olivier.Christ@foeeurope.org).

### **WOMEN 2000: GENDER EQUALITY, DEVELOPMENT AND PEACE FOR THE TWENTY-FIRST CENTURY GENERAL ASSEMBLY SPECIAL SESSION:**

This session will be held from 5-9 June 2000 in New York. For more information contact: DAW, Room C2-1216, UN, New York, NY 10017, USA; Fax: +1-212-963-3463; E-mail: [timothy@un.org](mailto:timothy@un.org); Internet: <http://www.un.org/womenwatch/daw>.

### **SEMINAR ON SUSTAINABLE USE OF WATER: QUALITY AND QUANTITY:**

This seminar will convene 16-21 July 2000 in Guildford, England. For more information contact: Information Manager, International Networking Events, The British Council, 1, Beaumont Place, Oxford, OX1 2PJ, United Kingdom; Tel: +44-1865-316-636; Fax: +44-1865-557-368 or 516-590; E-mail: [network.events@britishcouncil.org](mailto:network.events@britishcouncil.org); Internet: <http://www.britishcouncil.org/networkevents> (and click on the Calendar of Events).

### **TENTH WORLD CONGRESS OF RURAL SOCIOLOGY:-**

Sustainable Rural Livelihoods: Building Communities, Protecting Resources, Fostering Human Development: The International Rural Sociology Association's annual congress will be held from 30 July - 5 August 2000, in Rio de Janeiro, Brazil. For more information contact: Andrea Couto, X IRSA World Congress Secretariat, Brazil; Tel: +55-21-509-4080; Fax: +55-21-509-1492; E-mail: [irsa@congreg.com.br](mailto:irsa@congreg.com.br); Internet: <http://www.ag.auburn.edu/irsa/>