



Sharing a vision, achieving results

Partnership between the Netherlands and
the International Fund for Agricultural Development

Sharing a vision: Partnership between the Netherlands and the International Fund for Agricultural Development

A joint goal: Investing in rural people, contributing to global development

Rural areas of poor countries are facing both new and continuing challenges. Among these are the world's burgeoning population, volatile food prices, environmental degradation, climate change, diversion of farmland, declining public financing and inefficient production and trade chains. Food security and rural development, therefore, are among the top

priorities of the Dutch development agenda and central to IFAD's mandate.

Over the coming decades, market-oriented smallholder agriculture will be crucial to fulfilling the growing demand for food and related goods and services. It will also be fundamental to raising incomes of poor people, 70 per cent of whom live in rural areas, and protecting the environment. A shared desire to support smallholder farmers in creating this future is at the heart of the partnership between the Netherlands and IFAD.

The Netherlands, with its dynamic private sector and renowned research institutions, provides know-how, technology and financing to the partnership. IFAD contributes its wealth of experience in supporting development of small-scale agriculture and rural livelihoods, while acting as a catalyst for investment from other donors and governments. The strength of this partnership is demonstrated by the growing support provided by the Netherlands to IFAD-supported initiatives. It is underpinned by increasing alignment between Dutch development priorities and IFAD's mandate.

©IFAD/Gerd Ludwig





©IFAD/Paolo Marchetti

The Netherlands: A committed supporter

As a founding member of IFAD, the Netherlands has actively engaged in shaping the Fund's strategies and supporting its reform process. The Netherlands encourages IFAD to continue its efforts to become a more cost-efficient and effective organization and thereby maintain its position at the forefront of the worldwide battle against poverty.

Since IFAD's establishment, the Netherlands has pledged over US\$454 million to the organization's resources. The Netherlands ranks second for the 2013-2015 period, with a pledge of US\$132 million, including complementary contributions for the Adaptation for Smallholder Agriculture Programme (ASAP).

The Netherlands is also the second largest contributor to IFAD supplementary funds, which are used to finance or cofinance specific projects. Over the past 10 years, the country has committed more than US\$100 million in supplementary funds to cofinance IFAD-supported programmes focused on livelihoods in fragile states.

Strengthening the role of the private sector

Private investment in agriculture now exceeds official development assistance, so development interventions that leverage private sector resources can reach many more poor and food-insecure rural people. The private sector has become the engine of growth in rural economies and a major source of investment for the agriculture sector.

Tapping into this source to complement development assistance is key to accelerating poverty reduction. The private sector has become an increasingly important development partner for the Netherlands, and the Dutch Ministries of Economic Affairs and Foreign Affairs are supporting various sustainable economic growth initiatives in developing countries and emerging markets. In July 2014, the government launched the Dutch Good Growth Fund to help Dutch entrepreneurs invest in risky environments.

IFAD is expanding and strengthening its engagement with the private sector, recognizing the importance of creating markets for poor rural farmers and improving their access to inputs, services, knowledge and technology. IFAD experience has shown that market-oriented smallholder agriculture stimulates business and has the power to generate incomes and economic growth. Smallholder farmers and businesses are part of the global food chain, and consequently must be a part of the solution to poverty reduction and malnutrition. As a result, the value-chain development projects that IFAD finances, such as in the Charland regions of Bangladesh, focus on forging mutually beneficial partnerships between the public sector, the private sector and small rural producers.

Bangladesh: Building market infrastructure in charland regions

The coastal and estuarine landmasses known as charlands in southern Bangladesh are home to some of the country's poorest people. To address

the lack of services, roads and markets in these remote areas, a market infrastructure project was started in 2006. Focused on five charlands, it targeted poor farmers who grow crops and raise livestock on small landholdings, as well as fishers and fish farmers, households engaged in food processing and basket and cloth production, small traders and impoverished women. The Market Infrastructure Development Project in Charland Regions (MIDPCR), implemented through 2013, received a US\$4.75 million grant from the Government of the Netherlands.

MIDPCR built infrastructure, including 66 market facilities and 420 kilometres of farm-to-market roads. It established management committees to maintain markets and ensure good hygiene and organization. The project also provided technical and management training and access to credit for market traders, small business operators and producers. Nearly 82,000 farmers were trained in marketing and production technologies. Over 2,000 new savings groups were formed that, along with existing groups, mobilized the equivalent of US\$162.7 million Bangladeshi Taka (about US\$2.1 million) in savings. Over 45,000 group members received microcredit, and virtually all repaid their loans.

MIDPCR specifically promoted opportunities for poor rural women, establishing dedicated women's sections in some of the markets. Nearly 2,500 women participated in construction projects, while over 53,000 received training in entrepreneurship and microfinance, as well as access to credit.



©IFAD/G.M.B. Akash

Empowering women and supporting gender equality

Given that women account for 43 per cent of the agricultural labour force worldwide, it will be impossible to increase food and nutrition security and raise rural incomes without improving gender equality and empowering women. Women's empowerment is one of the Netherlands' development priorities, and IFAD is at the forefront of work on gender issues in the context of agricultural and rural development. Approaches such as 'Courage Brigades', supported by IFAD in a village in India, help women earn both income and respect.

India: Courage Brigade empowers women and improves village life

In the poor villages of India's Madhya Pradesh state, many people live without electricity, health care or regular work. Life for women is especially hard. When a woman takes it upon herself to improve her family's situation by getting a job, she may be rewarded with a beating from her husband for making him look bad. But in the village of Narayanpura she can turn to the IFAD-supported Courage Brigade, a group of women who work with local leaders to change attitudes and bring about solutions.

"There are so many issues here – gender violence, alcoholism,



©IFAD/Susan Beccio

gambling, child marriage,” says Manoj Nayak of the Tejaswini Rural Women’s Empowerment Programme. “Often the best solution lies not with law enforcement but in using community pressure to address problems.”

Striding through the village in their blue saris, the women of the Courage Brigade have taken that lesson to heart. They tackle problems ranging from school lunches to violence. When a 14-year-old boy was murdered because his goat pilfered a neighbour’s grain, the police refused to help until the Courage Brigade blocked the main highway, demanding action. The alleged killer is now facing trial.

Afsana Begum received a beating from her husband when she got a job so she could feed her hungry

children. But then she joined the Courage Brigade, which helped her to reconcile with her husband and gave her a loan to open a bakery. She now employs four other women and is inundated with orders. For the first time in her life she is making her own choices and earning her own money – along with well-deserved self-respect.

Strengthening fragile states

Fragile states are trailing far behind the rest of the world in achievement of the Millennium Development Goals. The principles of engagement with fragile states shared by the Netherlands and IFAD translate into comprehensive, flexible, risk-aware and long-term commitment. Collaboration is concentrated on

institutional development, rehabilitation of basic agricultural and rural infrastructure, mitigation of risks and empowerment of rural communities, grass-roots institutions, women and marginalized groups. In Sierra Leone, for example, IFAD is helping bring back the agriculture sector, which was destroyed by the recent war.

Sierra Leone: Coming back from a devastating civil war

Sierra Leone's 10-year civil war devastated rural areas, and what the war didn't destroy, nature took back, swallowing farms and infrastructure into dense forest. When IFAD returned to the country in 2009, it went to work in the most vulnerable and war-affected areas in the east of the country.

IFAD's first initiative was the Rehabilitation and Community-based Poverty Reduction Project, designed to rehabilitate key agriculture sectors and support administrative decentralization. Given Sierra Leone's good soils and access to water, the agriculture sector potentially represents more than half of the national economy, if it can recover from the years of neglect. The project emphasizes potentially high-earning tree crops such as cocoa, coffee and palm oil, and irrigated systems for intensified rice production in valleys that are wet year-round.

Gradually the project has helped replace ageing trees with improved varieties, established nurseries and trained farmers in new techniques to improve yields and crop quality. So far, 7,500 hectares of tree crop plantations have been rehabilitated. The project also helps cooperatives broker links with big buyers, focusing particularly on cocoa because of its high earning potential.

"I don't want to go back to mining," says Sheiku Dauda, a

former miner who is now a young farmer. "As farmers we can earn more. Since 2012 the IFAD project has been helping young people reclaim the land and start farming here. People are realizing that farming can be a business. We've started seeing farmers owning motorbikes and building houses."

Dealing with climate change

Climate change is affecting food security, impeding access to water, contributing to the spread of diseases and increasing the scale and frequency of natural disasters. A front runner among nations supporting climate change mitigation and adaptation initiatives, the Netherlands is one of the largest contributors to IFAD's award-winning Adaptation for Smallholder Agriculture Programme, which seeks to improve climate resilience and sustainability in countries facing severe climatic threats, such as Yemen. The country also supports the Global Environment Facility, which provides grants to IFAD projects to address the links between poverty and global environmental degradation, and is leading the Global Alliance for Climate-Smart Agriculture.

Yemen: Building resilience

Climate change holds ominous threats for Yemen, which has among the lowest renewable freshwater resources in the world. Poor agricultural productivity, water scarcity and insufficient off-farm economic opportunities are already worsening rural poverty. IFAD's Adaptation for Smallholder Agriculture Programme is supporting the Rural Growth Programme (2014-2021), a major initiative to stimulate more sustainable economic growth for women and men in rural

communities. The programme aims to increase communities' resilience to climate change impacts by helping them to diversify their livelihood options and improve management of natural resources.

It has three components:

- **Community empowerment and livelihoods diversification:** This component will empower households and communities to manage their own development and engage in income-generating activities. At the beginning each community will be helped to undertake a participatory diagnosis of their development priorities and constraints. Activities will focus on building community institutions, empowering women and stimulating microfinance and income-generating activities. Community development associations will be established and their management and conflict resolution capacities strengthened.
- **Natural resources management and resilient infrastructure:** Investments will focus on integrated water management and soil conservation, rangeland rehabilitation, ensuring access to drinking water and 'adaptive engineering' of rural roads to harvest excess water run-off and prevent flood damage and erosion.
- **Agriculture development:** This component will support adoption of improved and climate-resilient agricultural practices in communities. Investments will include extension support and provision of inputs and irrigation efficiency improvements while helping to diversify agricultural production and apply practical

research to promote long-term vulnerability reduction. Women and men will be trained as village agriculture technicians to support their communities, and their training will also cover climate change and environmental issues.

Improving water security

By 2025, two thirds of the world's population will be experiencing water shortages, while nearly 1.8 billion people will be living in countries with absolute water scarcity. The risk of regional conflicts over water is real. This is why almost half of IFAD-supported initiatives address water security, an area benefiting from Dutch expertise and innovation. In the desert oases of Mauritania, solar-powered pumps are aiding sustainable water harvesting and reducing farmers' workloads.

Mauritania: A solar-powered oasis

For thousands of years people have lived in and cultivated the oases of Mauritania, but climatic events and unsustainable water harvesting in recent decades have disrupted that balance. The IFAD-supported Programme de Développement Durable des Oasis, or Oasis Sustainable Development Programme, introduced solar-powered water pumping for agricultural use in the oases, along with improved water storage and distribution systems. The programme's broad aim was to combat environmental degradation while helping the people of the oases to overcome poverty.

The system introduced makes use of a pump and a reservoir with a capacity of 30 cubic metres, allowing for night-time irrigation and eliminating the need for batteries.

Solar-powered pumping reduces the costs of irrigation while freeing up time for farmers to cultivate their land or expand into off-farm activities that generate extra income. The solar pumps also reduce greenhouse gas emissions and groundwater pollution from diesel spills. An unexpected benefit is more sleep – families are no longer awakened by the deafening noise of the motor pumps.

Despite higher initial costs, the solar pump is more economical in the long run. A study found revenue increases of up to 200 per cent for vegetable gardening, especially in the case of carrots, and 27 per cent among households growing palm trees.

Strengthening IFAD's partnership with Dutch institutions

IFAD is partnering with Wageningen University and Research Centre, a leading institution on issues of food security, nutrition and climate change. The goal is to create opportunities for research and development, scale up innovations and share knowledge.

IFAD is also collaborating with a subsidiary of Rabobank, the global leader in food and agriculture financing and sustainability-oriented banking. Rabo Development is working with IFAD to explore opportunities in rural finance and the development of sustainable value chains in Eastern and Southern Africa.

©IFAD/David F. Paqui



Over the years, IFAD has developed strong partnerships with Dutch non-governmental organizations like SNV and Oxfam Novib. They are working together in critical areas such as gender rights, pro-poor value chain development and scaling up peoples' biodiversity management for food security.

Collaboration with Her Majesty Queen Maxima

Her Majesty Queen Maxima of the Netherlands, in her role as the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development, is leading a joint initiative with the three Rome-based United Nations agencies to promote food security, rural development and financial inclusion at both global and country levels.

Promoting inclusive finance means intensifying outreach to poorer clients, especially women. This approach reaches beyond conventional microcredit to provide tailored savings, insurance, payments, remittances, credit and other financial services to people and small and medium-sized enterprises at the bottom of the economic ladder. Financial services are critical for rural people, helping them to meet their basic needs, invest in their farms and enterprises, and lift themselves out of poverty, permanently.

With this in mind, the Rome-based agencies and Queen Maxima are working together to promote inclusive finance for food security, agriculture and rural development in the post-2015 development agenda, with the goal of universal access to financial services. At the country level, Ethiopia and the United Republic of Tanzania were chosen as pilot countries, and they are receiving help from the Rome-based agencies to implement the financial inclusion agenda.



©IFAD/Giulio Napolitano

Good growth, good investment, good partners

In February 2014, IFAD and leading global consumer goods company Unilever signed a public-private partnership agreement aimed at helping to improve the livelihoods of smallholder farmers in developing countries. The five-year global agreement – the first of its kind by IFAD with the private sector – is focused on strengthening food security by raising agricultural productivity, linking farmers to markets, reducing risk and vulnerability, increasing non-farm rural employment, and making agriculture more sustainable. The partnership will help smallholder farmers gain access to technology, knowledge, services and markets.

Efforts are under way to see how IFAD's knowledge and expertise in working with small-scale farmers and rural enterprises can be combined with Unilever's ability to integrate farmers into markets and its expertise in sustainable agriculture. Unilever and IFAD will jointly explore opportunities for IFAD-financed projects and programmes to collaborate on specific commodities of interest to smallholders, national partners and Unilever, with a view to connecting smallholders to value chains. IFAD and Unilever will also share information on national priorities and regional and country-level market demand in order to improve planning and project design. Discussions are ongoing on collaboration in a number of countries. The partnership is already showing progress in China and India.

©IFAD/Susan Beccio



What is IFAD?

IFAD is both an international financial institution and a specialized UN agency. Based in Rome – the UN food and agriculture hub – it is a unique partnership of 173 members from developing countries, OPEC and the OECD. IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided about US\$15.8 billion in grants and low-interest loans to projects that have reached some 430 million people.

IFAD invests in rural transformation. We aim to drive inclusive and sustainable growth that will generate opportunities for decent work, particularly for women, youth, indigenous peoples and other vulnerable groups. IFAD brings the point of view of smallholder farmers and rural entrepreneurs to bear on international policy deliberations, and builds their capacity so that they themselves can engage in and influence relevant policy processes.



International Fund for Agricultural Development

Via Paolo di Dono, 44 - 00142 Rome, Italy

Tel: +39 06 54591 - Fax: +39 06 5043463

E-mail: ifad@ifad.org

www.ifad.org


www.ruralpovertyportal.org

 ifad-un.blogspot.com

 www.facebook.com/ifad

 [instagram.com/ifadnews](https://www.instagram.com/ifadnews)

 www.twitter.com/ifadnews

 www.youtube.com/user/ifadTV

