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## Investing in rural people in **Bolivia**

Bolivia's sustained economic growth over the last decade, combined with public investment in health, education and productive infrastructure in rural areas, governmental social assistance programmes and remittances from abroad, has had a positive impact on people's living conditions. Poverty declined nationwide from about 61 per cent in 2005 to 39 per cent in 2013. However, it is much more severe in rural areas, where moderate poverty affects around 60 per cent of the population and extreme poverty, 39 per cent.

The agricultural sector contributes about 15 per cent of the country's gross domestic product. Around 32 per cent of the population is considered rural, but migration of men and young people from rural to urban areas is high. This has resulted in women and the elderly having a larger workload in agricultural activities, which has negatively impacted smallholder farming productivity.

Although it is estimated that 75 per cent of the total population in rural areas is employed in agricultural activities, non-agricultural rural businesses have grown rapidly in recent years. In addition, family farming is losing ground to agribusiness, mainly due to production inefficiency and low competitiveness. Agribusiness export-oriented products (soybean, sunflower, cotton, sugarcane) represent 80 per cent of agricultural production in Bolivia.



**Poverty has declined nationwide,** but remains severe in rural areas

Authorities place emphasis on the **fight against hunger** and the **participation of traditionally excluded groups**

The country faces significant environmental challenges such as deforestation due to the expansion of the agricultural frontier, soil degradation, water pollution and degradation of genetic resources. Climate change is another important challenge for Bolivia. The scenario foreseen is one of increased temperatures, reduced rainfall and high climatic variability, which would negatively impact health, biodiversity and ecosystems, especially in the northern Amazon rainforest.

## Eradicating rural poverty in Bolivia

In the last decade, the country has undergone major policy changes, with special emphasis on issues such as the fight against hunger and the participation of traditionally excluded groups. In this context, there has been increased participation in legislative and government initiatives by indigenous and peasant or campesino groups, understood as peoples and nations of Bolivia who share territories, culture, history, languages, and legal, political, social and economic institutions.

The Constitution of 2009 and different laws have promoted significant changes in the institutional framework at subnational levels, creating a more decentralized administration, closer to the people and their needs.

National initiatives have also expanded political participation of women, as well as further ensuring the inclusion, protection and participation of young people in the productive, economic, social and cultural systems.

The Bolivian authorities have prioritized strengthening of the agricultural sector, and particularly family farming, in order to address:

- production inefficiency problems, low competitiveness and market access
- challenges related to natural resources management (water, soil, agrobiodiversity, vegetation)
- vulnerability to climate change.

This has created viable market access and boosted the competitiveness of smallholder farmers.

## IFAD's strategy in Bolivia

Although Bolivia's economic performance over the last few years is a success story, the country's rural areas are still coping with poverty and the adverse effects of climate change.

Smallholder producers provide 48 per cent of the population's food needs, but family farming is losing ground to agribusiness. To overcome this challenge, IFAD-funded activities pave the way to put in place stronger pro-family farming policies and programmes that can ensure national food security and bring about an inclusive, sustainable rural transformation.

IFAD, paying special attention to the needs of disadvantaged groups such as women, youth and indigenous peoples, focuses on strengthening the capacities of rural organizations to assist smallholder farmers in developing profitable rural businesses and tools and strategies to help cope with the challenges posed by climate change.

To achieve this goal, IFAD, in partnership with the Government of Bolivia, designs programmes to develop the technical and business skills of rural organizations, introducing technological innovations to add value to agricultural products by improving their quality and helping smallholder producers to be more competitive. Furthermore, IFAD-funded operations facilitate the development of public-private joint ventures that help smallholder producers to gain access to markets and value chains.

In response to the environmental challenges that adversely impact the country's rural areas, IFAD-funded initiatives build the capacity of local and communal authorities to better plan and use early climate response mechanisms. They promote the use of traditional and local knowledge, as well as innovative practices, to foster sustainable management of natural resources.

## Ongoing operations

### Integral Strengthening Programme for the Camelid Value Chain in the Bolivian High Plateau (Pro-Camélidos)

South American camelids contribute significantly to the Bolivian High Plateau economy. The welfare of the region's population is closely linked to the income derived from the processing and marketing of the products obtained from these animals: wool, fibre and meat.

To boost the camelid sector, the programme addresses challenges such as low productivity, limited availability of feed and water, low value added of raw material and lack of access to services. It builds on previous IFAD-funded projects to improve camelid-related production in Bolivia.

The programme expands over 47 municipalities in La Paz, Oruro and Potosí, departments which are home to 67 per cent of camelids in Bolivia. Some 63,942 rural families, composed of small-scale farmers, artisans and rural entrepreneurs, benefit from this IFAD-funded intervention. Emphasis is placed on including indigenous peoples, women and youth.

The programme involves a US\$38.8 million investment. IFAD contributes with US\$17.9 million.

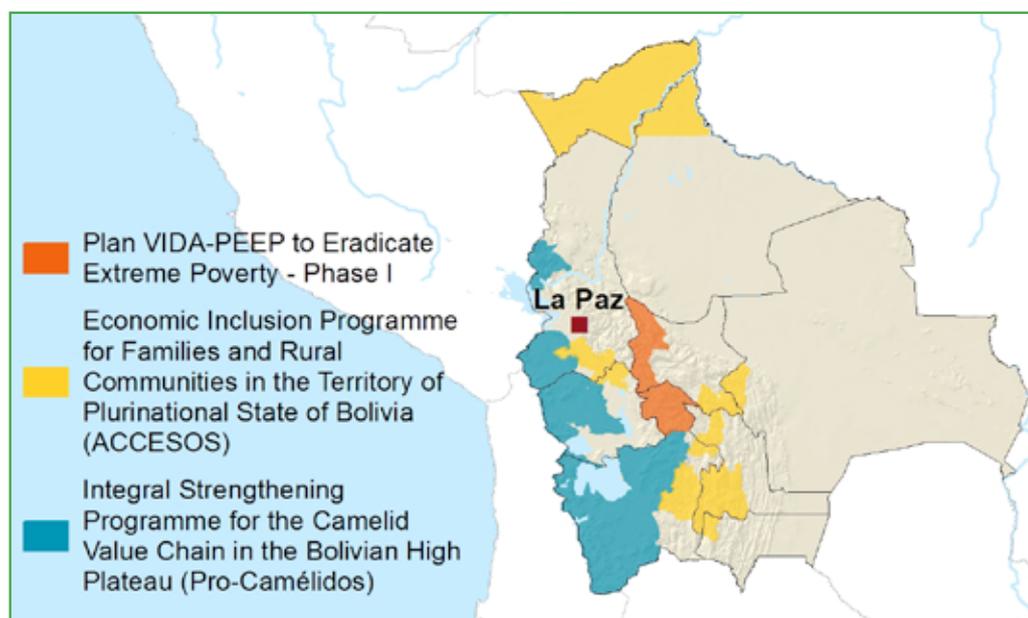
### Economic Inclusion Programme for Families and Rural Communities in the Territory of the Plurinational State of Bolivia (ACCESOS)

This programme aims at strengthening the capacities of communal and territorial landholders, autonomous local governments and rural organizations to implement community-based farming systems adapted to the widely varying local conditions. The target group consists of about 32,000 households or roughly 24 per cent of the total population in the programme area.

In addition, ACCESOS cofinances the development of community enterprises to connect producers with markets and create economic alternatives in the rural non-agricultural sector. It promotes broad-based access to financial services, including savings, credit and insurance. The programme also pays special attention to improving resilience to the effects of climate change, particularly for collective landholders.

ACCESOS targets rural municipalities in a vast and diverse area, which expands over La Paz, Oruro, Potosí, Cochabamba, Chuquisaca, Tarija, Santa Cruz, Beni and Pando.

IFAD-funded activities pave the way for **stronger pro-family farming policies and programmes**



The target area has a combined rural population of Quechua, Aymara and campesino households characterized by high levels of poverty. The programme focuses particularly on women and young people.

The total programme involves a US\$55.6 million investment. IFAD contributes with US\$18.0 million and an ASAP grant of US\$10.0 million.

## Plan VIDA-PEEP to Eradicate Extreme Poverty - Phase I

This project is designed within the framework of the government's Plan to Eradicate Extreme Poverty (PEEP), which harmonizes the actions of various groups involved in reducing poverty and is part of Bolivia's Plan Vida, a comprehensive anti-poverty effort. It targets 18,000 poor rural households of Quechua and Aymara origin living in the country's northern Potosí and southern Cochabamba regions.

The Vida-PEEP project aims to strengthen food security for rural people living in extreme poverty and provide opportunities for them to increase their incomes through enhanced agricultural production capacity. The project supports communal development activities that fully respect cultural identity and social structures.

In the course of the project, 600 producers' groups are expected to be legally recognized and some 9,000 families should receive identity cards and birth certificates, allowing indigenous communities to benefit from various types of financial services.

The total project involves a US\$15.3 million investment. IFAD contributes with US\$8.0 million.



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## Building a poverty-free world

IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided US\$17.7 billion in grants and low-interest loans to projects that have reached about 459 million people. IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN's food and agriculture hub.

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For further information on rural poverty in Bolivia, visit the Rural Poverty Portal <http://www.ruralpovertyportal.org>



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