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Investing in rural people in **Brazil**

Brazil is a major agricultural and industrial power with the strongest economy in Latin America and the seventh strongest in the world. It is the world's largest coffee and sugarcane producer, and the second largest soybean producer and maize exporter.

The country has made significant progress in poverty reduction since the early 2000s. Between 2004 and 2013, the proportion of the population living in poverty decreased from 22 per cent to 8.9 per cent. Today, more than 18 million people still live below the poverty line; more than 8 million people are extremely poor.

Although the decline of poverty has been more acute in the north-east than in the rest of the country, the north-east still lags behind. One in four people in the region's rural areas live in poverty. In many municipalities poverty rates are above 60 per cent, with some reaching as much as 90 per cent.

Since 2014, Brazil has been hit by the worst economic recession in decades. The crisis is not expected to recede before 2017-2018 and may make it difficult to continue reducing poverty and inequality across the country.

A vast majority of the over 5 million farms in Brazil are very small. This small-scale agriculture, known as "family farming", accounts for up to 70 per cent of some of the country's staple food production, employs three quarters of the farm labour force and is responsible for one third of agricultural income.



Eradicating rural poverty in Brazil

The main causes of poverty are inequality and exclusion, which in rural areas take the form of lack of access to land and basic services (health care, financial services, formal education and skills training).

Over the last two decades, Brazilian authorities have addressed those issues with a range of policies and measures, including a gradual agrarian reform that has been implemented since the mid-1990s and the broadening of the scope of technical assistance services to make them more accessible.

Since the second half of the 1990s, Brazil has increasingly addressed the issue of poverty. The *Fome Zero* (Zero Hunger) and *Brasil Sem Miséria* (Brazil without Poverty) programmes, among others, have improved the livelihoods of millions of people.

In the area of family farming, Brazil has developed a number of public policies, including funding and public purchase programmes.

Once neglected, family farmers are now central to the government's poverty reduction strategy, as both beneficiaries and food suppliers.

IFAD's strategy in Brazil

Since it started collaborating with Brazil's federal and state governments in the 1980s, the International Fund for Agricultural Development (IFAD) has been investing in rural development activities in the north-eastern semi-arid region of the country known as *sertão*. Now, it is expanding its operations through two new projects in the Maranhão Amazonian transition area, and in Pernambuco pre-*sertão* area (*agreste*) and coastal rainforest (*mata atlântica*).

All IFAD-funded projects in the country focus on supporting and promoting family farming. The goal is to increase family farmers' production and income by facilitating their access to essential services (training, rural finance and technical support with special attention to climate-smart technologies), strengthening their organizations and connecting them to markets.

IFAD works to ensure that the most marginalized groups, such as indigenous and *quilombola* (Afro-descendant) communities, agrarian reform settlers, women and youth, benefit from its projects.

One of the main features of IFAD-supported operations in Brazil has been their quest for technical innovations and best agricultural practices that provide family farmers with appropriate tools to thrive in north-eastern Brazil's harsh environment. Examples include: organic and agroecological production methods, water collection and conservation technologies, and participatory planning methodologies that take advantage of both innovation and traditional knowledge.

Over the years, the lessons learned from IFAD-funded operations in Brazil have been shared with government officials, civil society, the private sector and family farmers via policy dialogue forums and the knowledge-sharing programme, *Semear* (meaning "to sow" in Portuguese).

Networking for scaling up is a key feature of IFAD's country programme for Brazil, which is now expanding its web of strategic partners among international cooperation and United Nations agencies and top-tier Brazilian financial institutions.

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Ongoing operations

IFAD-funded ongoing operations in Brazil include six projects that benefit over 250,000 families and imply an investment of over US\$450 million. Two new projects, currently under design, will expand IFAD activities to Maranhão and Pernambuco, generating an additional investment of about US\$100 million and benefiting around 50,000 additional poor rural families.

Bahia: Rural Sustainable Development Project in the Semi-arid Region of Bahia (*Projeto Pro-Semiárido*)

The objective of this project is to reduce rural poverty through increased production, creation of employment and income-generating opportunities. It aims to strengthen the capacities of individuals and organizations, connecting them to markets.

Project components include:

- Promoting the capacities of the target population, mainly through the participatory formulation and implementation of business or workplans;
- Funding agricultural production, agroprocessing and non-agricultural businesses.

This US\$105.8 million project (including an IFAD contribution of US\$45.0 million) operates in 30 municipalities with high incidences of poverty in the northern semi-arid area of Bahia, benefiting 70,000 poor rural families.

Ceará: Productive and Capacity Development in the State of Ceará (*Projeto Paulo Freire*)

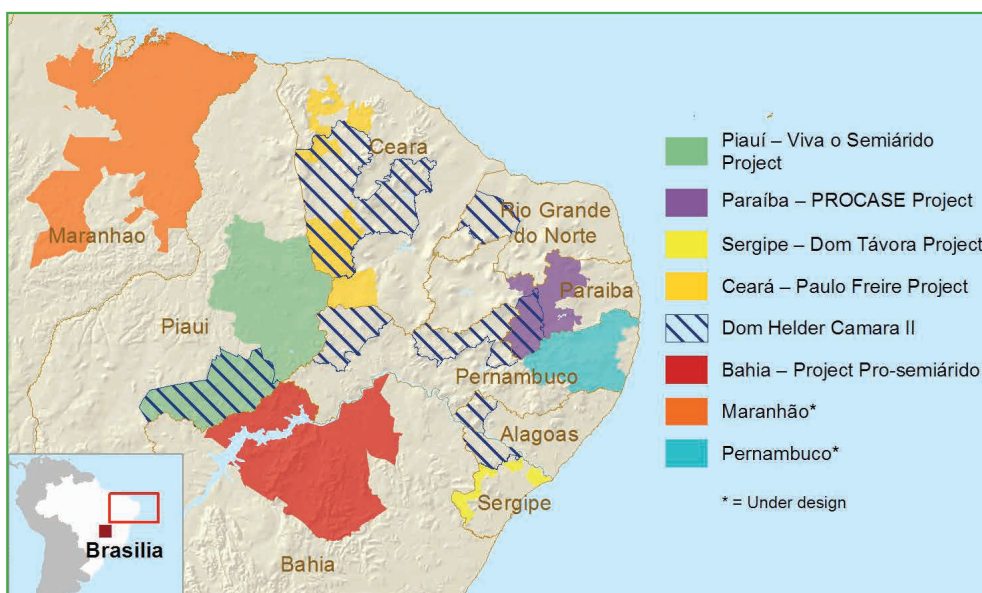
The objective of this project is to reduce poverty and raise the living standards of family farmers in the state of Ceará by enhancing the productive base of rural households. The project has two components:

- Building the individual and collective capacity of family farmers and strengthening public and private agencies that provide technical and managerial services to them;
- Financing productive development initiatives to increase productivity and add value.

The project targets approximately 60,000 poor rural households. Total investment is US\$94.9 million, with IFAD financing US\$32.2 million.

IFAD has developed a **strategic partnership** with the federal and state governments and civil society actors

IFAD's operations are concentrated in the north-east, the most poverty-stricken rural area of Brazil



Paraíba: Cariri and Seridó Sustainable Development Project (PROCASE)

The project helps poor rural people living in the semi-arid region of Paraíba to improve their livelihoods by developing the region's rural economy. The project will focus on:

- developing human and social capital;
- improving smallholder production;
- combating desertification and promoting sustainable natural resource management.

The project, with a total cost of US\$49.7 million, to which IFAD contributes with US\$25.0 million, will directly benefit about 18,500 households.

Piauí: Semi-arid Sustainable Development Project in the State of Piauí (*Viva o Semiárido*)

The project's goal is to reduce extreme poverty among rural people in the semi-arid region of Piauí by improving their income and increasing their employment opportunities through:

- training and technical assistance on the use of sustainable technologies;
- enabling participants to access financial services;
- strengthening social and productive organizations;
- financing investments such as small dams, processing plants and irrigation systems.

With a total cost of US\$39.1 million (US\$20.0 million from IFAD), the project will directly benefit 22,000 households.

Sergipe: Rural Business for Small Producers Project (*Projeto Dom Távora*)

The overall goal of this US\$37.8 million project (with an IFAD contribution of US\$16.0 million) is to generate sustainable rural employment in some of Sergipe's poorest municipalities. The beneficiaries work in agricultural and non-agricultural activities. Specifically, the project aims to:

- develop agricultural and non-agricultural rural businesses of poor producers' groups;
- build capacity for rural business promotion through training and partnerships with local institutions and universities.

The project's target group encompasses 12,000 poor rural families.

Dom Helder Câmara II: Policy Coordination and Dialogue for Reducing Poverty and Inequalities in Semi-arid North-east Brazil (*Projeto Dom Helder Câmara*)

The overall goal of this federal project is to reduce rural poverty and inequality in the semi-arid north-east. To reach this goal, it works to improve policy dialogue, territorial planning and coordination of public policies and programmes.

The project's development objectives include:

- promoting the dissemination of innovative production methodologies and technologies;
- strengthening the capacities of rural communities to participate in decision-making processes;
- promoting increased family income based on agroecological approaches;
- contributing to the reduction of gender, generational, racial and ethnic inequalities.

The project will benefit 74,000 households in 129 municipalities of seven states. Its total cost is US\$125.3 million.

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 Brazil, visit the Rural Poverty Portal <http://www.ruralpovertyportal.org>



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