Evaluation

IFAD
Enabling poor rural people to overcome poverty

profile

Number 51, May 2008

# Rural poverty reduction in a middle-income country

**Since the start of its operations in the country, IFAD has approved six loans to Brazil for a total of around US$ 142 million. An additional US$277 million in Government counterpart funds and beneficiary contributions brings the overall portfolio to around US$420 million. As Brazil accounts for approximately 30 per cent of all rural poor in the Latin America and the Caribbean region, it is clearly a country of key importance to IFAD.**

The IFAD Country Strategic Opportunities Paper (COSOP) for Brazil, formulated in 1997, identified four main strategic thrusts: (i) promoting access to land; (ii) supporting the Government's smallholder sector policy and programme; (iii) focusing IFAD assistance on the northeast region of the country; and (iv) engaging in policy dialogue. The emphasis on productive assets and technology, financial assets and policy dialogue was and remains relevant to government priorities and, by and large, is consistent with the overarching priority areas set out in IFAD's Strategic Framework. However, as the 1997 COSOP has so far not been updated, there is no mention of the changes that have taken place in the last decade, both within the overall development context of the country and within IFAD itself. It does not, therefore, adequately address a number of priority areas of key importance for rural poverty alleviation in Brazil, such as improving access to markets, supporting the indigenous peoples of the Amazon, and promoting learning.

## Main findings

The evaluation found that, overall, IFAD's operations in Brazil have achieved good results, particularly in terms of promoting water security, which has led to decreased animal mortality, greater food security, improved agricultural development and better natural resources management. The evaluation also noted that positive results had been achieved in building the capacity of grass-roots institutions and in promoting the active involvement of non-governmental organizations in project interventions. Off-farm activities took place in the form of support to traditional handicraft development and other artisanal activities.

In general, IFAD-supported operations have contributed to increasing the incomes of the rural poor in the northeast and facilitated their participation in rural development processes, including access to education, infrastructure such as rural roads along with other support services, such as rural finance through the National Programme for the Strengthening of Family Agriculture (PRONAF) and agricultural credit cooperatives. Some achievements in terms of empowerment of women may also be attributable to IFAD, for example, by providing women with identity documents and allowing them to participate in government-led development initiatives. For a variety of reasons, such as the inappropriate choice of technology, the costs of some activities like the construction of roads or cisterns were higher than average; these were reduced in more recent projects by encouraging the wider involvement


**BRAZIL AT A GLANCE**

**Population:** 189.3 m (2006)

**Demographic growth:** 1.3%

**GDP growth (annual %):** 4.3

**GNI per capita (current US$):** 4 710.0

**Agriculture, value added (% of GDP):** 5.1

**Inflation, GDP deflator (annual %):** 4.3

**Life expectancy at birth:** 72.1 years

**Rural poverty (per cent of the rural population):** 41

**Total IFAD lending (1980-2006):** US$142 million

**Total IFAD grants (1980-2006):** US$5.4 million (one country-specific grant = US$0.5 million and several sub-regional grants = USD4.9 million)

*Source: World Bank "World Development Indicators database" (April 2007)*

of contractors both from the private sector and NGOs. Although some initiatives took place in recent years towards the development of markets, these have not received systematic and explicit consideration in IFAD operations. Similarly, IFAD has not been able to provide a full-fledged contribution to land reform issues, partly because of the complexity and highly political nature of the issue along with the Government's own major involvement in land reform, thus limiting the opportunities and the role that a relatively small international organization like IFAD could play. Generally speaking, monitoring and evaluation systems at project level have been weak.

The Fund has introduced a number of location-specific innovations at the project level, such as shifting from a top-down to bottom-up development approach that focuses on a demand-driven system for selecting investments and low-cost, simple and easy-to-absorb technologies such as family cisterns, fodder ensilage systems and production of bio-fertilizers. However, the promotion of innovations has not received the attention it deserves. Therefore, the evaluation concluded that IFAD should continue to focus on improving the quality of its interventions and supporting innovations. To achieve that goal, IFAD will need to take a more systematic approach to the innovation promotion process, including knowledge management, partnerships and policy dialogue linked to investment projects, and to enhancing synergies between small grant-funded and investment projects. In addition, the development effectiveness of IFAD-funded operations would be greater from enhanced direct supervision and implementation support along with a more permanent country presence in Brazil.

## Key recommendations

Several recommendations can be drawn from this evaluation; these are clustered in four main categories:

### Strengthen innovation promotion, including knowledge management

- Promote innovative agricultural technology and market access for the rural poor
- Systematically document good practices and lessons learned from project experience
- Ensure that M&E system works effectively and efficiently
- IFAD should provide Brazil with knowledge gained from its worldwide experience
- Develop a knowledge-sharing programme to disseminate Brazilian innovations and good practices

### Partnerships to support the IFAD country programme

- IFAD should intensify its collaboration with state governments and related institutions
- Opportunities for direct lending to state governments should be explored
- Close dialogue and communication with the Federal Government should also be maintained
- Support country-led donor co-ordination and aid harmonisation processes
- IFAD should partner in Brazil with multi-lateral and bi-lateral aid agencies

### Redefine priority areas and geographical focus of operations

- Enhancement of market linkages with private sector
- Further strengthening and widening of financial services for the rural poor
- In addition to the Northeast, explore opportunities for including the North in IFAD operations
- Include indigenous people in the Amazon drawing on IFAD's experience on the topic in other countries

### IFAD's operating model

- Establish IFAD's country presence in Brazil
- Bring under direct supervision and implementation support the newer projects
- Increase the level of resource allocated to Brazil within the Performance-based Allocation System (PBAS)

Making bio-fertilizer in Novas Russas. Sertão do Inhamuns. Ceara State

*Dom Helder Camara Project*

The cisterns and other fresh water supply work built through the project provide the physical assets needed for water security.

*Dom Helder Camara Project*

**Further information:**

Federative Republic of Brazil, Country Programme Evaluation, Report #1944-BR, April 2008, Office of Evaluation, IFAD, Via Paolo di Dono 44, 00142 Rome, Italy. The full report, insights and profile are available online at www.ifad.org/evaluation; email: evaluation@ifad.org.