



NEW APPROACHES NEEDED TO REDUCE POVERTY AND HUNGER IN RURAL ASIA

MANILA, PHILIPPINES (9 August 2007) - High-level policymakers, development experts, and civil society members from across Asia and the world today called for new approaches and actions to reduce poverty and hunger in rural Asia at an international forum.

The two-day policy forum, "Agricultural and Rural Development for Reducing Poverty and Hunger in Asia: In Pursuit of Inclusive and Sustainable Growth," is organized by the International Food Policy Research Institute (IFPRI) and the Asian Development Bank (ADB).

"Millions of people have been lifted out of poverty, but millions more remain, particularly in rural areas. New approaches to promote agricultural and rural growth, along with innovative social protection measures, are needed to help the poor who have been left behind," said Joachim von Braun, Director General of IFPRI.

Despite unprecedented economic growth and poverty reduction achieved during the past three decades, hunger and poverty still persist across Asia. An estimated 600 million people in the region currently live in poverty (living on less than \$1 US a day), and mostly in rural areas.

"Ironically, East Asia's remarkable economic growth, which built upon strong agricultural gains, is now contributing to expanding income inequalities between those living in cities and those in rural areas. This growing gap is not economically or politically sustainable over time. Inclusive growth is a must and inclusive growth requires rural development," said ADB Vice President C. Lawrence Greenwood.

Mr. Greenwood added that ADB plans to increase its assistance in the agriculture and natural resources sector in the coming years. ADB's annual lending in the sector topped \$800 million in 2006 after a low in 2002 and 2003 with less than \$200 million.

Between the mid-1970s and 2004, poverty in Asia fell from more than 50 to 18 percent, respectively. Strong agricultural growth, driven by higher crop yields and greater labor productivity, was largely responsible for this progress as the majority of the region's poor people lived in rural areas and depended on agriculture for food and income.

Today, Asia's poorest people remain concentrated in rural areas and dependent on agriculture for their livelihoods. By 2015, the region will still be home to half of the world's poor and best projections indicate that three-quarters of these poor will live in rural areas. At the same time, Asia is projected to contribute nearly half the world's gross domestic product.

In the decades ahead, agriculture and rural development will play as critical role as ever in alleviating poverty and hunger throughout Asia. However, new strategies will be essential to address the following emerging challenges and opportunities that face the region:

- Rapidly changing global food markets for high-value foods, such as fruits, vegetables, and dairy products, and the potential offered by bio-fuel production

- Growing importance of non-farm activities as a source of income for the rural poor
- Increasingly liberalized global trade environment
- Persistent poverty in lagging regions
- Declining ability to meet future water demands
- Implications of climate change on the livelihoods of poor farmers
- Managing the risks associated with agriculture, such as weather and price fluctuations
- Creating transparent programs and policies that are more accessible to the rural poor

“Accelerating rural employment is one of the key ways to reduce rural poverty in Asia, and this can be achieved through innovations in technology and institutions,” says Mr. von Braun. “Now more than ever attention needs to be paid to nutrition and productive safety net to improve rural livelihoods in Asia.”

At the forum, participants will exchange insights and experiences on the critical role of agriculture and rural development in a changing, yet predominantly rural, Asia. They will also identify strategies that better enable poor people to reap the benefits of the region’s growth. These strategies include ensuring good governance of decentralized rural political systems, investing in infrastructure and communications systems to foster closer urban-rural linkages, providing productive safety nets and financial tools for the most vulnerable, and developing ecosystem services for meeting the challenges of water and climate change.

The outcome of the forum will inform the upcoming global conference, “Taking Action for the World’s Poor and Hungry,” which will be facilitated by IFPRI in partnership with the Chinese State Council Leading Group Office on Poverty Alleviation and Development in Beijing from October 17-19, 2007. ADB is a co-sponsor of this global conference.

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The International Food Policy Research Institute (IFPRI) seeks sustainable solutions for ending hunger and poverty. IFPRI is one of 15 centers supported by the Consultative Group on International Agricultural Research, an alliance of 64 governments, private foundations, and international and regional organizations. www.ifpri.org

ADB, based in Manila, is dedicated to reducing poverty in the Asia and Pacific region through pro-poor sustainable economic growth, social development, and good governance. Established in 1966, it is owned by 67 members—48 from the region. In 2006, it approved loans and grants for projects totaling \$8.5 billion, and technical assistance amounting to almost \$242 million. www.adb.org

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