

IFAD

JT March 04  
Submission No: .....4.....

The Chairman, Mr Andrew Southcott MP  
Joint Standing Committee for Treaties

RECEIVED  
- 3 MAR 2004

Dear Mr Southcott

**Australia's Role as an IFAD Stakeholder**

BY: *Gillian Gould*

I would like to register my disappointment that Australia is planning to withdraw from the International Fund for Agricultural Development (IFAD). With its very clear focus on targeting poor rural people in needy under-developed countries, IFAD is the only development assistance agency that specifically addresses the issues impacting on these vulnerable groups and provides soft loan and grant funds to support these countries to implement innovative projects. IFAD has supported development and implementation of participatory approaches for these vulnerable groups to empower them to identify and address constraints to their development with limited support from outside technical assistance and making full use of the capabilities available in country. The focus on the needs of poor rural people has led to IFAD loan funds being used for capacity building and small scale activities directly benefiting the target groups rather than large infrastructure construction activities in which benefits are captured by contractors and other external groups.

Because of the emphasis on poor rural households and the similarities between climatic and agricultural conditions in Australia and most of the countries which IFAD supports, Australia has provided much expertise and many inputs to IFAD projects around the world. This has led to improved linkages between Australia and these countries, even when Australia does not have direct diplomatic representation in the country. The influence of these Australian inputs is amplified as they are usually made at the project design stage where they can influence the later procurement of goods and services by the borrowing government during implementation of the IFAD supported project.

Given the importance given by the international community to the Millennium Development Goals relating to improvements in living conditions for poor vulnerable groups, Australia's withdrawal from IFAD provides a strong negative signal to poor countries working to improve their rural living conditions and also to bilateral and multilateral partners in rural development.

Australia's current modest contribution to IFAD is a practical and cost-effective symbol of Australia's care and interest in the needs of the poor outside its immediate interests and region. While I agree that IFAD could provide more support to countries in the south east Asia - Pacific region of most interest to Australia, Australia is currently gaining much kudos in other countries where IFAD has a presence and Australian expertise and goods are used to implement IFAD funded projects.

It has been a privilege to work with poor rural people being supported by IFAD funded loan projects as the goodwill generated for Australia far outweighs Australia's relatively small contribution from the overall development assistance program funded by Australia.

We trust your committee gains a full and balanced appreciation of work supported by IFAD and recommends that Australia should continue to be an active partner with IFAD in development assisting poor rural households develop their capacity to improve their living standards.

Yours Sincerely

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