

## Approach Paper

# Growing the Rural Non-Farm Economy to Alleviate Poverty: An IEG Evaluation of World Bank Group Support 2004-2014

December 8, 2015

## Background

1. Assisting the development of the rural non-farm economy (RNFE) is essential to the World Bank Group's twin goals of poverty alleviation and shared prosperity. The non-farm economy is a crucial pathway out of poverty for households in rural areas, supplementing or substituting for agricultural income. Through employment or direct entrepreneurship, nonfarm activity can benefit both the poor and other rural residents. Thus increasing the opportunities and abilities of the rural poor to benefit from the rural nonfarm economy is thus essential for goals of poverty elimination and shared prosperity.

2. **Most of the world's poor live in rural areas.** In 2010, over 900 million poor people resided in rural areas, an estimated 78 percent the total poor. Taking into account projected rates of migration and population growth, it is estimated that 2.8 billion people will live in rural areas in 2050, with roughly two-thirds of this population located in two regions of the world (South Asia and Africa). While some of the rural poor will migrate, most will not. Therefore, most income gains to end poverty will need to come from income generating activities that are capable of lifting rural populations out of poverty.<sup>1</sup>

3. While agriculture has traditionally accounted for a large share of rural household incomes - over 80 percent of all rural households farm to some extent - the empirical evidence points to the existence of a large and growing rural non-farm economy.<sup>2</sup> It is estimated that rural non-farm enterprises account for 35 to 50 percent of rural income in developing countries.<sup>3</sup> And, because employment data typically measure only primary occupations, to the exclusion of secondary and seasonal pursuits, these estimates would tend to understate the importance of rural non-farm activities.

4. **Rural non-farm activities are an important part of rural poor households' complex income strategies.** Often highly seasonal, rural nonfarm activity fluctuates with the availability of agricultural raw materials and in rhythm with household labor and financial flows between

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<sup>1</sup> Olinto, P., Beegle, K., Sobrado, C., Uematsu, H. (2013). *The State of the Poor: Where Are the Poor, Where is Extreme Poverty Harder to End, and What is the Current Profile of the World's Poor*. Economic Premise, October. World Bank.

<sup>2</sup> Carletto, Gero et al. *Rural Income Generating Activities in Developing Countries: Reassessing Evidence*. Journal of Agricultural and Development Economics. Volume 2, No. 1 2007 pp. 146-193.

<sup>3</sup> Haggblade, Steven, Peter Hazell and Thomas Reardon. (2007). *Transforming the Rural Nonfarm Economy*. IFPRI. Washington

farm and non-farm activities (Wiggins and Hazell, 2008). For the landless and the very poor, often employed as farm laborers, sustainable income gains at the household level are generally associated with additional wages earned from non-farm employment and self-employment opportunities.<sup>4</sup> However, households that rely solely on farm labor tend to be amongst the poorest.<sup>5</sup>

5. **In the rural non-farm economy, the poor are often engaged in subsistence level, micro-level or household enterprises,** which are located at the village level and are operated by a single person, owner-operating unit, or small units engaging family members. Often referred to as subsistence activities, these small enterprises provide employment opportunities in the absence of more profitable alternatives, and constitute secondary sources of income, as they tend to be intermittent, part-time and seasonal. Surplus earnings are often too meager to support reinvestment, and are used for household expenditures instead. These enterprises require low levels of skill and capital, so potential entrepreneurs face low barriers to entry. The non-poor are more often engaged in non-farm sector enterprises that employ wage labor and use a higher level of skill and capital intensity than do household enterprises. Some of these enterprises have the potential for scaling up, as well as increasing their capital intensity and market size.

6. **There is emerging evidence that rural diversification and secondary town development leads to faster poverty reduction and more inclusive growth patterns than metropolization.**<sup>6</sup> An emerging line of inquiry in the agricultural economics community, several recent studies have highlighted the role that the rural non-farm economy plays in reducing poverty. In rural Tanzania, a study of 3,300 individuals found that close to half of the 28 percentage point decline in poverty over the past decade could be attributed to farmers transitioning out of agriculture into rural non-farm activities and jobs in secondary towns. While those moving to the city experienced faster consumption growth, most farmers who exited poverty did so by finding their way into the rural nonfarm economy and the neighboring towns. In India, a long term study of a village in western Uttar Pradesh concluded that the steady decline in poverty in this village has been associated with increased access to non-farm jobs, including for many of its poorest households. A general equilibrium analysis conducted in Ethiopia concluded that redirecting urban growth toward towns rather than cities, leads to more inclusive growth and poverty reduction.

7. The farm and non-farm sectors are related through production and consumption linkages, and through the supply of labor and capital, although the strength of these linkages will vary depending on the specific stage of transformation. Understanding these phenomena – which vary both between and within countries – is important for subsequent prioritization. For example, in

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4 IFAD. 2011. *Rural Poverty Report*. Rome, Italy: Quintily.

5 Tacoli, Cecilia. 2007. *Poverty, Inequality and the Underestimation of Rural-Urban Linkages*. *Development*. 50, 90-95. Doi: 10.1057/palgrave.development.1100375.

<sup>6</sup> Christiaensen, Luc; *Introduction: rural diversification, secondary towns and poverty reduction: do not miss the middle*, *Agricultural Economics* 44 (2013) 433-434.

Christiaensen, Luc, Joachim De Weerd, Yasuyuki Todoc; *Urbanization and poverty reduction: the role of rural diversification and secondary towns*, *Agricultural Economics* 44 (2013) 447-459.

Dorosh, Paul, James Thurlow; *Agriculture and small towns in Africa*, *Agricultural Economics* 44 (2013) 449-459.

some cases, if farm income growth (and associated backward and forward linkages) is the driver of non-farm rural incomes, focusing on agriculture could be the most effective way to increase rural non-farm incomes. If the link between farm and non-farm rural incomes is weaker, then a more balanced approach may be more effective.

**8. The poor, however, face specific constraints that limit their ability to profitably benefit from opportunities offered by the rural non-farm economy.** The poor engage in the least productive non-farm activities. This is due to a lack of access to human capital (education, skills), finance, infrastructure (roads, power) and social capital (identity based exclusion, lack of networks, gender). While the relative weights of these constraints differ by country and area, evidence from the literature suggests that increased access to these forms of capital can yield considerably increased opportunities for the poor in the non-farm economy (Box 1).

**9. Various studies have shown that there is a positive correlation between increased access to rural services and the ability of the poor to benefit from the rural non-farm economy.** In China, authors *Luo and Zhu* (2006) find that non-farm activity plays an increasingly important role in rural household income. An analysis of LSMS data from the provinces of Hebei and Liaoning revealed that non-farm activity reduces rural income inequality by raising the income of poor households to a larger extent than that of rich households. Improving rural infrastructure and implementing universal basic education were found to be critical in enabling the rural poor to benefit from the rural non-farm economy. In India, Lanjouw (2002) finds that access to regular non-farm jobs is positively correlated with individual and household characteristics such as education and landholdings, implying that the most disadvantaged in village societies are rarely employed in the non-farm sector, especially those activities which are well-paid. Yet, while the most disadvantaged in India may not directly participate in the non-farm sector, the sector's impact on agricultural wage rates is considerable, and therefore of indirect importance to poverty reduction. In Tanzania, in stark contrast to the formal sector, where taxation and other regulatory constraints have been identified as key constraints in other countries, infrastructure constraints (but not regulatory ones) pose a formidable barrier to rural households' participation in rural non-farm activities and to investment and increased productivity by existing ones.

**Box 1. Access to the Rural Non-farm Economy: Evidence from the Literature and Evaluative Material**

Capital Constraints	Evidence from the Literature
<b>Human Capital:</b> Education, Skills	Evidence suggests that even relatively small gains in educational outcomes may yield considerably improved employment prospects in the non-farm sector ( <i>Lanjouw, Jean O. and Peter Lanjouw. 2001</i> ). The rural young lack fundamentally in foundation skills that are, necessary to compete for employment. Rural youth with foundation skills have a better chance of non-farm work. Most poor rural youth in developing countries are likely to depend on smallholder farming and non-farm work for the foreseeable future. New developments in agricultural production and marketing are likely to mean that job opportunities will be scarcer and demand higher skills, so the rural non-farm sector will become more important as a source of jobs for poor rural youth, who will need improved skills to make the best of the available opportunities. Many rural youth, particularly women, need to improve their literacy and numeracy skills as a first step to ensuring that they can benefit from other agricultural and non-farm skills development programmes ( <i>UNESCO, Global Monitoring Report, 2012</i> ).
<b>Physical Capital:</b> Roads, Power Electricity	Infrastructure exercises significant influence on the likelihood of finding non-farm employment. Households with electricity connection are more likely to have household members that are participating in the non-farm sector ( <i>Zhu and Luo 2006; Sundaram-Stukel, Deininger and Jin</i> ).
<b>Financial Capital (Real Finance)</b>	Lack of access to a wide spectrum of financial instruments, including safe savings, (for insurance, or to smooth inter temporal consumption), and to payments networks for small financial transactions limits the ability of the rural poor to create or participate in rural non-farm activities and to invest in existing ones to increase productivity.
<b>Social Capital:</b>	Excluded groups, scheduled castes and scheduled tribes are less likely to find employment in the well paid non-farm occupations. Such individuals also earn lower non-farm incomes ( <i>Lanjouw, Himanshu, Mukhopadhyay and Murgai</i> ).
<b>Land Markets/Access</b>	Village studies in India indicate that access to regular non-farm jobs is positively correlated with landholdings.
<b>Location/Connectivity</b>	Location and institutions are increasingly recognized as crucial determinants of economic performance. (2009 World Development Report on Economic Geography).

Source: IEG.

**10. Participation in rural non-farm (as well as farm) also varies along gender lines.**

Migration patterns are different for men and women. Household types and composition matter in unique ways for men and women (e.g., widows, divorced, presence or absence of able men in a household and their impact on the ability to farm or conduct a household enterprise). Access to resources is very gender specific because rights differ (access to land, primarily, but also finance, technology, etc.). Other constraints that are also gender-specific include time constraints and care needs so that women may *decide* to engage in lower productivity activities. Gender discrimination also exists with regard to accessing opportunities and wage earnings.

**Alignment with IEG’s Strategic Engagement Areas**

11. Following consultations with internal and external stakeholders, IEG selected three cross-cutting Strategic Engagement Areas for the FY16-18 work program. These three topics – Inclusive Growth, Sustainable Service Delivery and Environmental Sustainability - lie at the heart of the new WBG Strategy. They are designed to maximize the collection of evaluation evidence and unpack the overall challenge of meeting the twin goals in a sustainable manner; ensure better coordination and synergy on thematic issues across IEG product lines and departments; and create a stronger platform for medium-term strategic engagement with Management on critical development challenges.

12. This evaluation is fully aligned with the **Inclusive Growth** Strategic Engagement Area which recognizes that a key development challenge is generating growth that is inclusive, resilient and sustainable, and that creates productive employment for the poor. It also recognizes that – to eliminate extreme poverty – World Bank Group assistance must support a holistic approach to tackling the constraints that affect the poor’s ability to participate in and benefit from productive employment opportunities. Thus, in addition to focusing directly on the creation of productive opportunities along the agricultural value chain – for example – it must also support the enabling environment by providing access to basic services, investing in human capital, enabling voice and promoting empowerment especially of the most marginalized

## Evaluation Aim and Scope

13. *Evaluation Aim:* In line with IEG’s first objective, this evaluation aims to deepen the evidence concerning the effectiveness of WBG support to the development of a sustainable and inclusive rural non-farm economy. The rural non-farm economy is a vital pathway for many rural poor households to lift themselves out of poverty and thus a key building block of the twin goals of ending extreme poverty and boosting shared prosperity. The evaluation proposes to take on an area that will be critical for realizing further gains in poverty in the coming decade. To date, none of IEG’s evaluations have conducted a multi-sectoral assessment to learn about what works in this segment of the economy.

14. The evaluation will be aimed at the Sustainable Development Network and its Vice-Presidency in the World Bank and the Manufacturing, Agribusiness and Services (MAS) department in IFC, including staff that are affiliated with investments and agribusiness related advisory services. Key counterpart groups include the Rural Livelihood and Agricultural Jobs Global Solution Group, the Value Chains Global Solution Group, the Jobs Cross-Cutting Solution Area, the Rural group within GPSURR, and the Competitive Industries practice within the Trade and Competitiveness GP. The evaluation will also target relevant managers and underwriters in MIGA dealing with its guarantees in this area. A secondary audience within the World Bank will include Finance and Markets staff working on financial inclusion in rural areas and IFC Staff in the Financial Institutions Group also working on financial inclusion in rural areas. Other stakeholders include the Bank’s international and bilateral donor partners and programs.

15. *Evaluation Scope:* The rural non-farm economy comprises a highly heterogeneous collection of trading, agro-processing, manufacturing, and service activities. There are also strong regional differences within countries as a result of differing natural resource endowments, labor supply, location, infrastructural investments and culture. The scale also varies, from part-time self-employment in household-based cottage industries to large-scale agro-processing and warehousing facilities operated by large multinational firms. Sectorally, manufacturing typically accounts for only 20-25 percent of rural non-farm employment, while trade, transport, construction and other services account for 75 to 80 percent (Wiggins and Hazell, 2008). Spatially, the composition of non-farm activity varies as well. While home-based cottage industries predominate in rural areas, secondary towns and cities support an increasing number of activities undertaken by farm households as independent producers in their homes, the

subcontracting of work to farm families by urban-based firms, non-farm activity in village and rural town enterprises, and commuting between rural residences and urban non-farm jobs (Wiggins and Hazell, 2008).

16. At the global level, since in many countries and lagging regions the link between agriculture and the growth of the non-farm economy is strong, the evaluation will assess the role of the World Bank Group in supporting rural non-farm income generating activities that are derived from and directly linked to farm activities e.g. that add value along supply chains (production, aggregation, distribution, marketing, transport etc.). IEG will also assess the World Bank Group's role in helping to provide the rural poor with sustainable and productive income generating opportunities outside of the agricultural sector, in areas like services, manufacturing or tourism, for example. The scope of the evaluation is determined by the types of activities that have been identified by the preliminary Portfolio Review, described in detail in the following section. It points to activities and projects, outside of the agriculture sector, that, for example, have supported agglomerated and spatial approaches, supported small and medium sized rural enterprises, increased competitiveness and access to finance. The global level assessment excludes some activities, such as forest management, fisheries and mining since IEG had recently conducted or is planning to conduct reviews of these sectors (see "Other IEG Studies"). Nonetheless, the findings of these evaluations will be referenced in formulating a holistic understanding of WBG engagement with the nonfarm economy.

17. At the country level, the scope of the evaluation extends beyond those activities intended to provide productive income generating opportunities to the rural poor. It also considers the specific stage of transformation in the country and within different areas, the constraints to developing a more inclusive sustainable rural transformation, country strategies and the broader country context of WBG efforts in the country to promote in the country employment and create an enabling environment that would benefit nonfarm earning opportunities. Depending on the country diagnostic, these interventions may include, but are not limited to, targeted support for human capital development (education, skills), rural finance, connectivity (roads, electricity), identity based exclusion, and the investment climate, including business development services, business linkages support etc. Special focus will also be placed on the specific gender dynamics present in the rural non-farm economy and the interventions that are needed to reduce gender disparity in the rural non-farm economy.

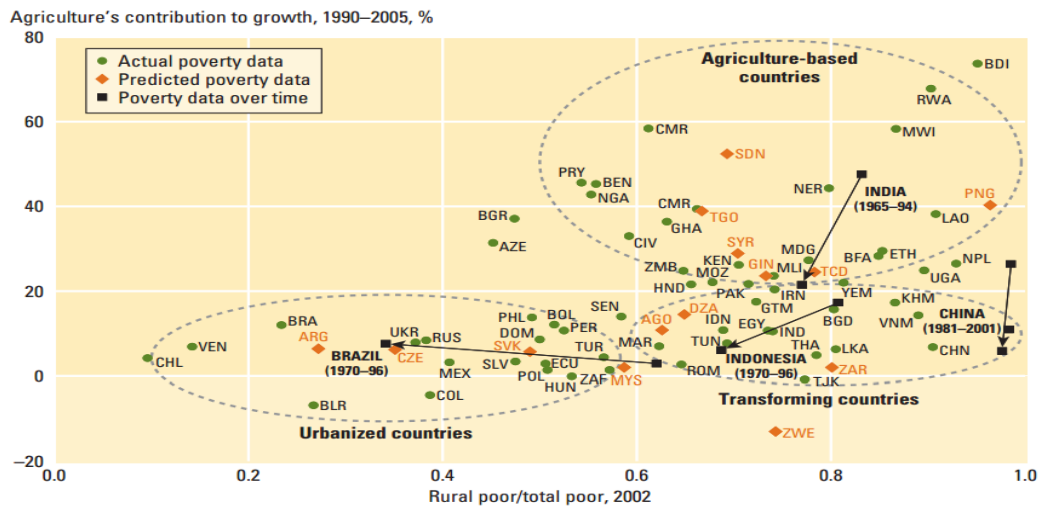
## **The World Bank Group's Analytical and Strategic Frameworks Include a Focus on the Rural Non-Farm Economy**

### **THE WORLD DEVELOPMENT REPORT ON AGRICULTURE (2008): THE THREE WORLDS**

18. The World Bank Group's approach in the Agriculture Sector is based on an extensive amount of analysis conducted for the World Development Report on Agriculture (2008), which recommended that when crafting policy, the World Bank Group should consider the specific growth pathways of client countries -- with particular attention to their dependence on agriculture and rural poverty. The 2008 WDR introduced the idea of the "Three Worlds of Agriculture" (Figure 1) which clusters countries around their relative stage of transformation

with regard to the importance of agriculture to growth, rural livelihoods, and the efficiency of backward and forward linkages between the agricultural sector and other production and consumption sectors that have the potential to help reduce rural poverty. A brief description of the characteristic of these three worlds follows:

**Figure 1. The “Three Worlds” as expressed in the WDR on Agriculture (2008)**



Source: WDR, 2008.

- Agriculture-based countries** - where agriculture is a major source of growth, accounting for 32 percent of GDP growth on average—mainly because agriculture is a large share of GDP. This group of countries has about 417 million rural inhabitants, mainly in Sub-Saharan countries. Eighty-two percent of the rural Sub-Saharan population lives in agriculture-based countries.
- Transforming countries** – found mainly in South and East Asia where agriculture is no longer a major source of economic growth, contributing on average only 7 percent to GDP growth, but whereas poverty remains overwhelmingly rural (82 percent of all poor) and where rapidly rising rural-urban disparities and the persistence of extreme rural poverty are sources of social and political tension. This group has more than 2.2 billion rural inhabitants.
- Urbanized countries** - where agriculture contributes directly even less to economic growth, 5 percent on average and poverty is mostly urban. Even so, rural areas still have 45 percent of the poor, and agribusiness and the food industry and services account for as much as one third of GDP. Here, agriculture can help reduce remaining rural poverty through better integration into modern food markets and the development of rural and environmental services. Included in this group of 255 million rural inhabitants are most countries in Latin America and the Caribbean and in Europe and Central Asia. Eighty-eight percent of the rural populations in both regions are in urbanized countries.

## **ANALYTICAL CONTRIBUTIONS SINCE THE AGRICULTURE WDR 2008 HAVE HELPED THE WORLD BANK GROUP TO THINK MORE SPATIALLY**

19. **A Focus on Economic Geography: Increased Attention to Lagging Regions and Areas.** The 2008 WDR’s “three world” typology was a useful starting point to identify discrete areas of needed attention. Subsequent analytical work conducted for the 2009 World Development Report on Economic Geography dug deeper and recommended the need for a more nuanced understanding of the influence of country conditions and policies on the pace, pattern, and consequences of rural-urban transitions.

20. The work uncovered vast inequalities between countries within the three worlds, between areas within a country, between rural and urban areas, and within cities themselves. While the work substantiates the conventional wisdom that in both low and middle income countries, urban areas are almost always better off than rural areas, it finds that the magnitude of rural-urban inequalities is extremely variable across welfare measures and across countries. Even in countries with the same level of urbanization or GDP per capita, the rural-urban welfare differences may be enormous or relatively small. The welfare gap is not consistently wider in low income countries than in middle-income countries. When measured by consumption and stunting, the average rural-urban welfare difference is roughly the same, irrespective of a country’s development. Comparing improvements in welfare in 41 low and middle income countries during two survey intervals, findings suggest that there are a greater number of divergences than there are convergences for consumption based welfare measures.

21. The Global Monitoring Report (2013) on *Rural-Urban Dynamics and the Millennium Development Goals* focused on spatial inequality. Utilizing estimates from more than 100 Living Standard Measurement Surveys, the GMR found that households in the most prosperous areas of several developing countries enjoy an average level of consumption that is 75 percent higher than that of similar households in the lagging areas. The findings suggest that there is little evidence that spatial inequalities will automatically diminish as countries develop. Rather, empirical and qualitative analysis suggests that spatial divides are mainly a function of country conditions, policies and institutions which, combined, determine the way by which a country may choose to address or neglect drivers of rural poverty and the quality of growth.

### **World Bank Group Strategies**

22. *The World Bank Group’s Agriculture Action Plans* (FY10-FY12, FY13-15) have explicitly recognized the importance of the rural non-farm economy, including the poverty reduction potential of promoting more effective local production and expenditure linkages. In the current Action Plan, launched 2010, it is included as one of the Plan’s major thematic areas of assistance (Thematic Area 3: Facilitate Rural Non-Farm Income):

*Rural non-farm income is increasingly important in many countries and often provides critical linkages for agricultural growth as a vital source of savings and as a significant contribution to food access and food security. Growth of farm and rural non-farm sectors often has mutual benefits through production and expenditure linkages. As urban centers and associated job opportunities develop, labor migration*



*out of agriculture will increase. However, where there is excess labor in agriculture, a continued lag in urban job creation, and urban congestion, a priority is to promote rural non-farm employment in secondary towns, including for women, and to strengthen rural-urban linkages. Effective functioning of land markets is also necessary to facilitate both entry and exit from agriculture. Facilitating exit from agriculture, including the intergenerational transfer of assets, is an important issue facing many middle-income countries, many of which are also facing the challenge of an aging population. In addition, to strengthening land markets, the WBG will continue to support improvements to skills upgrading, the investment climate, and investment in rural infrastructure and livelihood programs.*

23. Embedded in this approach are five specific priority interventions that the Bank has supported over the past decade. These include: (1) an innovative line of analytical work on the rural investment climate; (2) investment in rural infrastructure; (3) skills upgrading and rural education; (4) rural livelihoods; and (5) youth employment. These priority lines of business – as articulated in the Agriculture Action Plan – are summarized below:

- **Support for the Rural Investment Climate.** The WBG piloted a set of agribusiness indicators through a series of Rural Investment Climate Studies in nine countries that were intended to inform policy dialogue and to stimulate investment.
- **Investment in rural infrastructure.** Recognizing that rural areas often have poor physical and communications infrastructure, the Bank would help to lower transaction costs, increase connectivity, and raise non-farm earnings, especially in densely populated lagging areas.
- **Upgrading skills to expand job opportunities.** The Bank recognizes that specific skills and training are necessary to promote non-farm activities (e.g., subcontracting/outsourcing from urban to rural enterprises and households). More generally, it recognizes that enhanced rural education is important for improving the productivity of the non-farm sector, including support for vocational training for supply chain skills (production, marketing, transport), especially for women.
- **Improve rural livelihoods.** Recognizing the key role that local institutions play in facilitating access for the rural poor, the strategy made a commitment to expand its approach – already underway in South Asia – of supporting representative platforms of the rural poor that increase women’s access to household income, social, and financial services. Key areas of support envisioned as part of the livelihood operations would include (i) institutions of the poor that provide the initial “push” for collective action, development of “voice” and organized access to new economic opportunities; (ii) human capital development, which is essential to equip communities with the range of functional, entrepreneurial, administrative, technical, and social skills; (iii) networks and federation development to allow conversion of opportunities through economies of scale and greater representation and aggregation of demand; (iv) systems of capital development through access to credit, savings mobilization, insurance, and matching grants for asset creation and venture capital for the poor; (v) linkages with

markets and the private sector by facilitating access to markets and partnerships or “co-production” arrangements that support forward and backward linkages.

- **Promotion of youth employment:** When compared to adults, youth are more often employed under informal and casual contracts; earn less; work more hours; have less assets, in particular land; and lack access to finance. To promote youth employment, the World Bank Group would help to remove barriers for women and men youths to join the formal and informal labor force by improving youth access to land, capital, and skills, including by identifying entry points to add a youth lens to the ongoing and new projects and programs. In AFR, the Youth Employment Flagship AAA was also designed to help take stock of youth employment tailored programs, define actions to promote youth employment in wage and informal sectors, and identify entry points for youth in ongoing and new projects and programs.

24. **Other World Bank Strategies** approved during the evaluation period support the enabling environment for the development of the rural non-farm economy. While they do not directly reference the development of this segment of the economy, several strategies support more effective spatial development, skills and capacity strengthening, and more effective service delivery in the rural space. Several strategies stand out in this regard. The **World Bank Group Sustainable Infrastructure Action Plan 2009-2011**, for example, aims to improve the reach and quality of infrastructure service delivery in a sustainable manner through increased financing and leverage. Developed alongside the 2009 World Development Report on Economic Geography, it draws attention to the rising spatial divides – between leading and lagging regions, between rural and urban areas, and within large cities. The Plan notes that, “thinking geographically can help stimulate growth by prioritizing across transport corridors that physically connect the country to regional and international markets. While our understanding of the dynamic impacts of infrastructure investments in bridging spatial gaps is still evolving, a spatial development perspective will increasingly inform the World Bank’s advisory and operational work to improve the contribution of infrastructure to growth and poverty reduction.” Other strategies that have been approved during the evaluation period and that will form part of the evaluation include the Financial Inclusion Support Framework, the World Bank Education Strategy, the World Bank Social Protection and Labor Strategy and the World Bank Urban and Local Government Strategy.

25. **IFC’s Agribusiness Strategic Action Plans (FY10-FY12, FY12-FY14)** have been part of an integrated World Bank approach that supports the implementation of the World Bank’s Agriculture Action Plan. Interviews conducted for this approach explained that this alignment occurred around the development of the World Development Report on Agriculture (2008), which according to Bank and IFC staff interviewed, ‘represented a sea change with regard to the way that the Bank Group agencies framed their cooperation in the sector. The WDR 2008, and the subsequent World Bank Agriculture Action Plan put private sector development squarely on the Agricultural Development agenda. IFC’s Action Plan utilizes an analysis of sector and country performance along the lines of the “three worlds” to determine the mix of targeted assistance.

## Evaluation Methodology

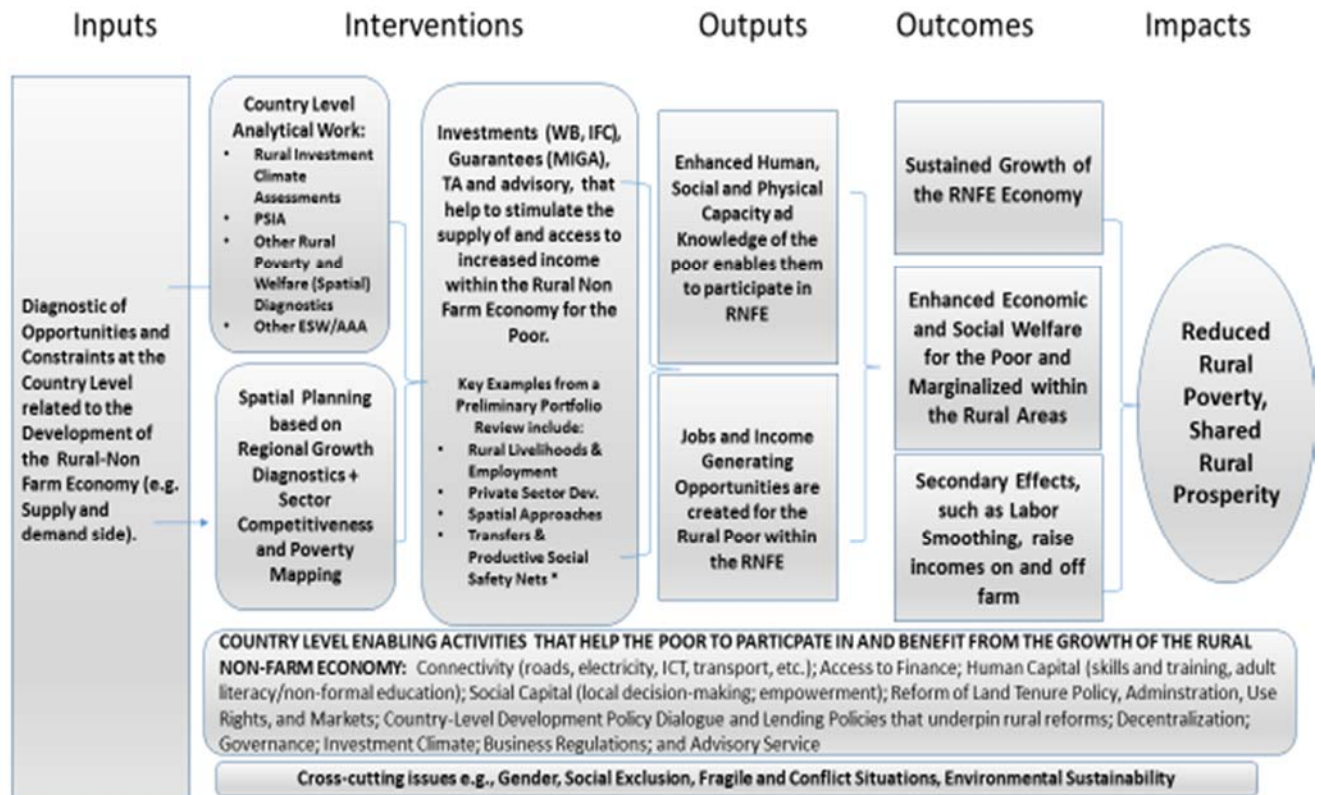
### THEORY OF CHANGE, KEY EVALUATION QUESTIONS, PORTFOLIO REVIEW, GENDER ANALYSIS, PARTNERSHIP, COUNTRY CASE STUDY AND STAKEHOLDER INTERVIEW APPROACH

26. The evaluation will rely on several elements to inform its assessment of WBG work on the rural nonfarm economy. The first is a broad review of the relevant literature, which has already informed this approach paper and will continue to inform the evaluation. The second is a careful assembly and analysis of the relevant portfolio addressing the nonfarm economy and employment opportunities within it. Third is a set of in-depth interviews with concerned stakeholders within the World Bank Group, partner organizations, academia and civil society globally and at the country level. The fourth is a set of purposively selected, detailed country case studies that delve deeply into the Bank Group’s strategy, activities and impact in countries at different stages of development (agriculture-based, transforming and urban-based). Special attention will be paid to strategic coherence, cooperation and synergies between the institutions of the WBG and other key players (e.g. counterparts, stakeholders, beneficiaries, and other donors), identifiable impact, quality of M & E and feedback loops and missed opportunities. Finally, an analysis of key partnerships will complement this work.

27. **Theory of Change:** The rural poor are often engaged in “last resort” non-farm activities that are not associated with high levels of labor productivity while the non-poor are engaged in non-farm activities with higher levels of labor productivity. Significant correlates of these high-productivity occupations include: human capital (education, skills), physical capital (roads, power, and electricity), access to finance, and social capital. There are also large gender disparities in the rural non-farm labor market. Targeted development assistance, designed to strengthen the human, physical, financial, and social capital of the poor, can increase the likelihood that the poor can gain access to a wider variety of opportunities in the rural non –farm economy, including more productive opportunities and or an expanded, more diversified set of activities that can help households to sustainably increase their overall standard of living. To achieve these gains, rural non-farm enterprises and services must be sustainable and competitive which, in turn, requires investments that integrate the different parts of the rural economy. Public sector investment in basic services plays an important role in providing the enabling environment for these enterprises to grow and remain profitable. Private sector development assistance can help to identify gaps and to reduce risk to incentivize scalable investment (Figure 2).

28. The World Bank Group does not have an explicit theory of change that articulates its approach for helping to grow the rural non-farm economy, although a general approach and a list of interventions are included in the Agriculture Action Plan as described above. IEG has therefore constructed a Theory of Change based on the existing rural non-farm literature and by conducting a preliminary portfolio review. The interventions are indicative of the type of approaches that the World Bank Group has taken to contribute to the development of the rural non-farm economy. The Theory of Change has been shared with World Bank Group Management during the Approach Paper comment period and will be used in IEG’s Learning Days as a platform for discussion.

**Figure 2: Theory of Change: World Bank Group Support for the Development of an Inclusive Rural Non-Farm Economy**



Source: IEG.

\*Notes: Indicative Interventions include **Rural Livelihoods and Employment** activities that include Rural Livelihood Projects, Rural Community Driven Development (CDD) with productive subprojects; Projects with explicit reference to Rural Non-Farm Employment; Agribusiness investments and advisory services; Value Chain approaches, including livestock value chains etc. **Private Sector Development** includes activities addressing Competitiveness; Micro, Small and Medium Enterprises; and Trade Facilitation. **Spatial Approaches** include activities addressing the development of Growth Poles and Corridors; Special Economic Zones linking rural areas and other spatial approaches. **Transfers and Productive Social Safety Nets** includes activities Food Crises and Emergency response; Public Works; Productive Social Safety Nets; and Rural Cash Transfers.

### Key Evaluative Questions

29. The Overarching Question of this thematic evaluation is: How successfully has the World Bank Group contributed to the creation of sustainable income generating opportunities for the rural poor within the Rural Non-Farm Economy and what attributable effects have Bank Group efforts had on reducing poverty? In order to answer this question, the relevance, effectiveness, efficiency and sustainability of the WBG interventions at all levels –strategy, project, portfolio, program, country, aggregate- will be assessed. Table 1 shows the set of questions to be explored as well as the sources, methods, and expected constraints of the analysis.

**TABLE 1. KEY EVALUATION QUESTIONS**

<i>Key Questions</i>	<i>Information sources</i>	<i>Data Analysis and collection methods</i>	<i>Data limitations</i>
<p><b>Overarching Questions: How successfully has the World Bank Group contributed to the creation of sustainable income generating opportunities for the rural poor within the Rural Non-Farm Economy and what attributable effects have Bank Group efforts had on reducing poverty?</b></p>			
<p><i>Relevance: Are World Bank Group Interventions Relevantly responding to client needs to help alleviate poverty by developing the Rural Non-Farm Economy in a sustainable and inclusive way? Is the World Bank Group strategically collaborating with partners to help develop the Rural Non-Farm Economy for the benefit of the poor?</i></p>			
<p><i>How relevantly are WBG interventions diagnosing and addressing the supply and demand side constraints related to the development of a sustainable, profitable and inclusive (pro-poor) rural non-farm economy?</i></p> <p><i>At the Global and Country Level, how is the Bank positioning itself strategically? At the country level, how relevant are project designs to country contexts and national poverty reduction planning needs with regard to the development of the RNFE?</i></p> <p><i>At the household level (project design, targeting, measurement) how relevantly is the WBG addressing the differentiated needs of the marginalized, vulnerable, women, youth etc.?</i></p>	<p>Corporate Strategies; GP, VP Strategies and Action Plans; CASSs, SCDs and CPFs; AAA; Investment Climate; Project Appraisal and Supervision Documents + evaluations. Structured Interviews, Focus Groups, Country Cluster Visits + reports; portfolio review of rural themed projects in the WB; portfolio review of IFC investments in the rural non-farm economy + MIGA</p> <p>Survey of collaboration with IFAD</p>	<p><i>The Strategy Level:</i> Review of Strategies; Dialogue with Key Members of the GPs and VPs + Staff; Interviews of Key Partners (IFAD, FAO, CGIAR, IFIs, Bilateral) + Country Clients. Portfolio Review.</p> <p><i>The Country Level:</i> CAS/ SCD /CPF Review for countries selected for desk and field Review + Structured Interviews of Country Teams. Portfolio Review of AAA, Lending, Advisory, TA etc. Field Visits protocols will triangulate feedback from Multiple Government agencies. Feedback from project teams and beneficiaries. Focus Groups with Thematic TTLs and Country Teams.</p>	<p>The Rural Non-Farm Sector is a Multi-sectoral theme that requires collaboration across GP (AG, SURR, Transport, Macro, Water, Poverty SP etc.). Rural Non-farm aims are part of the Ag Action Plan but require multi-sectoral collaboration for implementation.</p> <p>At the country level, rural Non-farm data is weak, not consistent across countries. Definition of “Rural” differs; Households only report income from primary employment; Variations in country conditions will make conclusions limited and contingent</p>
<p><b>Effectiveness: How effectively have World Bank Group interventions contributed to the development of a sustainable and inclusive rural non-farm economy? How have these efforts contributed to alleviating rural poverty?</b></p>			
<p><i>How effectively has the WBG supported employment creation, increased incomes and enhanced welfare for the poor within the Rural Non-Farm Economy?</i></p>	<p>ISRs, ICRs, ICRRs, PPARs, XPSR EvNotes, PCRs, PES, PERs, Review of GAFSP. Country Studies, Country Missions. Interviews,</p>	<p>Portfolio Review Country Case Studies Interviews Focus Groups Partnership Review</p>	<p>Many projects will not have recorded impacts; IFC projects, Macro (PRSCs and DPLs) will have system effects that will need to be measured differently than direct Bank investments in the rural space.</p>

<i>Key Questions</i>	<i>Information sources</i>	<i>Data Analysis and collection methods</i>	<i>Data limitations</i>
<i>How has this assistance been targeted towards and how has it impacted the marginalized, vulnerable, women, youth etc.?</i>	External Evaluation materials.		
<b>Efficiency</b> <b>How efficiently have the World Bank Group agencies worked together to help develop a sustainable and inclusive rural non-farm economy?</b>			
<i>How has the World Bank Group helped clients to reduce the transaction costs associated with integrating the rural poor into the non-farm economy? At the country level, how have the World Bank, IFC and MIGA worked together to increase opportunities for the rural poor to benefit from the non-farm economy?</i>	Mainly from Country Case Studies that include a review of the portfolio of the three agencies.	Effectiveness data in the ICRRs and PPARs. Interviews with country teams, TTLs, and Government counterparts	Information on the cost and benefits for the poor (or cost and benefit of attaining specific distributional impacts) will be lacking. Coordination efforts tend to be poorly documented in project documents and micro evaluation documents, according to IEG experience.
<b>Environmental and Social Sustainability: Is the WBG's support for the RNFE environmentally and socially sustainable?</b>			
<i>What are the Key E&amp;S issues that emerge in the review of the core Rural Non- Farm portfolio and how effectively were these issues addressed? How did E&amp;S affect decision-making, risk-taking and investment choices in the portfolio?</i>	Safeguards and Performance Standards Data	Extraction of E&S Lessons from the Safeguards and performance standards data as part of the portfolio review of WB, IFC and MIGA. Interviews with E&S Specialists that have supported RNFE activities. Country Mission Protocols, pairing with E&S IEGFP country visits.	IEGFP only validates 25% of all projects; quality of E&S issues in ICRRs, PPARs.

Source: IEG.

## Identification of the Rural Non-Farm Portfolio: The Portfolio and Country Level Assessment Methodology

30. The Rural Non-Farm Economy is not a sector but a prominent theme in the World Bank's Agriculture Action Plan which requires a multi-sectoral approach and collaboration across different units in the World Bank Group. The evaluation offers an opportunity to better understand the universe of projects that are supported by the Bank Group that contribute to the development of the rural non-farm economy, at the global and country level.

31. To identify the universe of projects that directly support the development of income generating opportunities for the poor within the rural non-farm economy, IEG has applied a Screening Criteria – described below- that has enabled the development of a Preliminary

Portfolio of activities across the World Bank Group (Figure 3). The rural-non farm economy is also supported by many enabling activities, which will be thoroughly identified and assessed from the point of view of their contribution effects at the country case study level.

## **The Preliminary Rural Non-Farm Portfolio Screening Criteria for the World Bank**

32. For the World Bank, all IBRD/IDA projects that were approved between FY04-FY14 are included in the Universe of projects screened for the Rural Non-Farm Evaluation. IEG identified a total of 3,472 IBRD/IDA activities, including additional financing, which were approved during this period.

33. Next, IEG identified all projects with at least one agricultural sector code. IEG screened these projects to determine the extent of their alignment – or rural non-farm content – with regard to the evaluation scope. IEG identified 801 projects with at least one agricultural sector code, including additional financing that were approved between FY04-FY14. IEG then screened these projects by reviewing each project’s objectives and components and abstract. Of these, IEG selected 595 projects that, based on a preliminary review, are aligned with the evaluation scope. These projects will be more extensively reviewed individually during the evaluation to determine the actual extent of non-farm versus agricultural support and the portfolio will be revised to reflect the review’s findings.

34. This screening technique allowed IEG to formulate a preliminary, indicative list of projects with Rural Non-Farm Economic activities that are mainly derived from and directly linked to Farm activities. These projects include targeted investments to remove critical constraints, improve productivity and build capacity along the value chains of targeted commodities in rural areas. Examples include the Rural Productive Partnership Projects implemented in the LAC region, the Rural Livelihoods projects implemented in South Asia and Community Driven Development projects with productive sub-projects (which also feature a strong empowerment aim), Livestock value chains, including pastoral development in the Sahel etc.

35. This screening procedure also allowed IEG to remove projects that were not in line with the evaluation aim, namely projects with an environmental conservation or disaster risk or mitigation theme. These included projects that support terrestrial and marine conservation, pollution abatement, disaster risks management and recovery etc. Projects that have a productive theme in the forest sector were reviewed in IEG’s Forest Evaluation (2012) and lessons from that portfolio review will be utilized by the rural non-farm evaluation, but will not be included again in this portfolio review.

36. Next, IEG identified all of the remaining IBRD/IDA projects approved between FY04-FY14 that have been coded with a Rural Theme but did not have at least one agricultural code. IEG screened these projects for their alignment with the evaluation scope – in terms of rural non-farm content - by reviewing each project’s objectives and components and the project abstract. These rural themes, as identified by the Bank’s thematic coding system, include Rural Non-Farm

Income Generation,<sup>7</sup> Rural Markets, Rural Policies and Institutions, Rural Services and Infrastructure, or other forms of Rural Development. Guided by management comments, the team realized that some former projects, including FPD projects supporting competitiveness or spatial approaches such as growth poles (now largely mapped to the T&C portfolio) are relevant but would not have agricultural or rural codes because they were considered “sector neutral” at the time of the appraisal information sheet (AIS) code allocation. Utilizing the Bank’s Rural Themes as an additional screening tool, IEG identified an additional 536 projects that have been preliminary included in the portfolio, which will be fully reviewed individually as part of the portfolio work of the main evaluation. Examples of projects identified by this additional screening tool that have been included in the preliminary portfolio include:

- **Agglomerated or Spatial Approach**, such as activates that support the development of special economic zones, growth poles, industrial clusters in rural areas, secondary or rural market town development. These projects, many of which are mapped to the Trade and Competitiveness practice, seek to support broad-based economic growth through strong contributions from the private sector focusing on competitiveness and promoting linkages between global value chains. Some of the project activities include increasing and diversifying production of tradable goods, fostering complementarities between public and private investments, facilitating linkages with regional and global economies, and building the capacity of the private sector in order to raise labor productivity. Projects identified by this preliminary review include activities that provide select infrastructure along supply chains between farmers and markets, promote exports of high value agricultural products, help improve rural livelihoods, support MSMEs in rural areas etc. An indicative list, the full portfolio will screen all projects for relevance along these spatial lines.
- **World Bank financed Private Sector Development projects that support the development of the rural non-farm economy.** These projects support the development and strengthening of Micro, Small and medium size rural enterprises, enhanced competitiveness, access to finance – including micro-finance- and trade facilitation. Many focus on access to markets and improved opportunities for market linkages. Others seek to support business and regulatory reforms and foster public-private collaboration.
- **Transfers and Productive Social Safety Net Projects** that ensure access to food and basic needs for vulnerable households and support food/cash for work programs in highly food insecure rural areas; some of these programs provide cash or in-kind payments to the poor in return for work performed in labor-intensive public works projects. Public works included critical infrastructure and livelihood activities such as rural roads. Other projects included in this segment of the portfolio are the Emergency Food Crises projects. The more advanced cohort of social safety net

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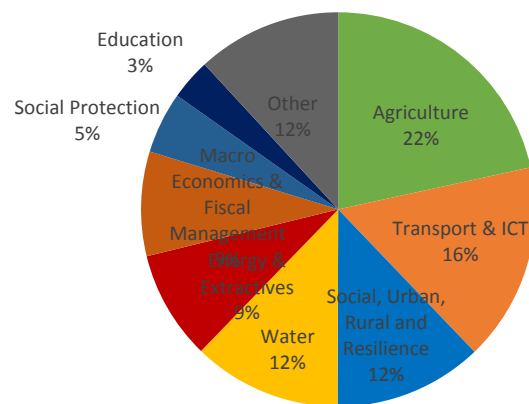
<sup>7</sup> Given the relevance of the sub-theme “Rural Non-Farm Income Generation” to the core evaluative questions in this review, IEG conducted a preliminary Evaluability Assessment of these projects to determine the type of data that was being collected and used to measure income and welfare. IEG found that there was a highly variable use of indicators between regions, with some consistency across projects types. Projects in ECA with a Rural Non-Farm Income Generation theme tend to report on incomes; projects in LAC report aggregate levels of revenue; there are more projects in the East Asia and the Pacific region that report on employment than elsewhere. None of the projects that reported on employment provided information on the quality of the jobs created.



projects feature a productivity component at the HH level that is often comprised of rural non-farm economic activities.

37. The final portfolio will reflect these sum of the portfolio from all of these three major approaches, plus one more to ensure against omission. As part of its portfolio review, IEG will use QDA Miner, a mixed methods and qualitative data analysis software, to conduct content analysis and text mining across the universe of projects that have been approved between FY04-F14. The exercise will allow IEG to capture relevant projects that have not been identified using the selection criteria, and to develop a more nuanced identification and description of the content of the World Bank supported Rural Non-Farm Portfolio.

**Figure 3: Preliminary Rural Non-Farm Portfolio Mapped to the GPs (by Number of Projects) n=1,131**



Source: IEG.

### Key World Bank AAA Support for Developing the Rural Non-Farm Economy

38. **The Rural Investment Climate Surveys.** The World Bank Group conducted a series of Rural Investment Climate Assessments between 2006-2010. These were conducted in Ghana, Mozambique, Ethiopia, Burkina Faso, Tanzania, Kenya, Zambia, Georgia and Tajikistan. This work was intended to be scaled up through the Doing Business Surveys (using a hybrid approach of an annual Doing Agribusiness Survey, together with more focused multiple country analysis on specific topics). The work was intended to help guide policy dialogue to improve the overall investment climate. Across these countries, the assessments revealed a common set of constraints that were blocking access for the poor to benefit from more productive rural opportunities. The evaluation will include an analysis of this body of sector work (ESW). The RICAs will also be used as an input in the Country Case Studies.

39. **The Development Economics Group (DECRG-RU) Rural Non-Farm Economy Research Program.** One program of research in DECRG-RU focuses on key questions regarding the nonfarm economy which are not yet fully resolved, or have not yet received adequate attention in the literature. The program examines those knowledge gaps that are of direct relevance to the design of policy interventions. One pillar of the program has been

focusing on perhaps the most important lever available to policy makers aiming to in promote the rural non-farm economy - the provision of infrastructure. A second pillar of the research program seeks to shed further empirical light on other potentially important constraints on rural non-farm growth which are amenable to policy intervention, primarily education and financial intermediation. A third area seeks to understand whether non-farm growth can translate into rural poverty reduction.

## **IFC Support for Rural Non-Farm Activities: Investments and Advisory Services**

40. IFC does not apply a farm/non-farm or urban/rural definition to its activities. IFC operations can affect both rural and urban populations, such as linking rural producers to markets. IFC also undertakes activities in other sectors which may have a potential impact on rural populations, such as grid or off-grid energy and micro-finance.

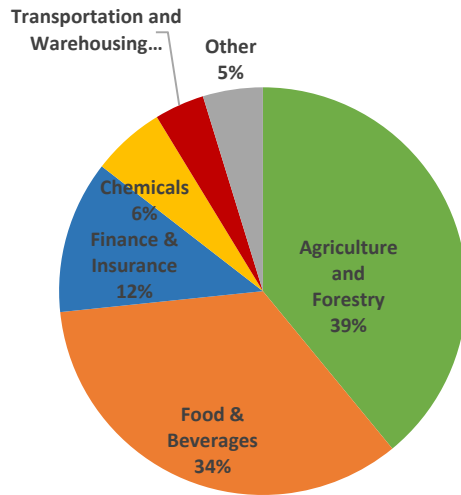
41. **IFC supported Agribusiness projects.** IFC's investment portfolio contains approximately 3,846 projects approved between FY04-14 of which 378 have been identified by IFC as supporting the Agribusiness supply chain (Figure 4). Of these, 45 have XPSRs and IEG EvNotes. During the review period, IFC has more than doubled its investment commitment, with investments currently roughly equaling that of the Bank in the agribusiness sector. IFC's investment commitment amount in agribusiness equaled, on average, US\$16.7 million annually between FY09-FY11 and US\$24 million annually between FY12-FY14.

42. **IFC Advisory Services linked to Agribusiness.** Using a similar approach, out of 2,539 Advisory Services implemented during FY04-14, 235 Advisory Services projects support the Agribusiness supply chain by strengthening linkages, raising corporate standards, supporting adoption of environmental and social standards and assisting farmers meet standards (Figure 5).

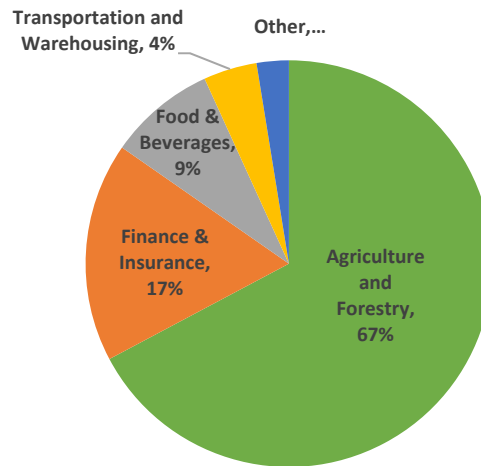
43. **IFC Investments designed to Increase Access to Rural Finance.** Utilizing the database developed by IEG for the Financial Inclusion, SME and Jobs and Competitiveness Study, the approach identified 41 IFC financed Finance and Insurance projects – including support for commercial banking, finance companies, and microfinance – that were designed to support rural development. During the course of the evaluation, IEG will screen other financial market investments, including but not limited to support commercial banks, specialized FIs, trade finance banks, and private equity funds, to assess whether these investments seek to extend access to rural areas.

44. **IFC Advisory Services linked to Infrastructure.** IEG will also screen infrastructure related advisory projects (such as PPPs, Clean Energy and Resource Efficiency) that have potential impact on helping to develop the rural non-farm economy.

**Figure 4. Preliminary RNFE IFC Investments Portfolio (n=378) By Sector**



**Figure 5. Preliminary RNFE IFC Advisory Services Portfolio (n=235) By Sector**



Source: IEG.

## MIGA Guarantees for Rural Non-Farm Activities

45. Since 2004, MIGA has provided 311 political risk insurance (guarantees) or credit enhancement support against certain noncommercial risks with 23 investments in the agribusiness sector in 15 developing countries, mostly in Africa with a total gross exposure of US\$469.3 million. At the time that this approach was undertaken, 19 of the Agribusiness guarantees were still active. Roughly one-quarter of the portfolio's exposure was in one guarantee in Liberia that is no longer active. Another quarter of the portfolio provides political risk insurance coverage in Zambia (all of which are still active). All of the active guarantees in the Agribusiness Portfolio are rated as Category B projects with regard to Environmental and Social risks. The rest of the sectors will be examined carefully with MIGA's guidance.

## COUNTRY LEVEL ANALYSIS: ASSESSING THE DIRECT AND ENABLING SUPPORT OF THE WORLD BANK GROUP AND THE EFFECTS OF ITS PARTNERSHIP EFFORTS

46. The breadth of the WBG Portfolio selection for country case studies will be guided by an assessment of the specific country conditions, with regard to the stage of development of both the country and areas of the country that may be lagging. The portfolio team will provide the country case study authors with a portfolio review of the projects identified through the global screening criteria described above. Country case study authors should then determine additional activities that are relevant with regard to the enabling environment activities specific to that country. In addition to financing that supports the direct creation or strengthening of micro, small

and medium rural enterprises (MSMEs), income generation, or skilled employment, for example, the country case studies will examine potential synergies affecting the RNFE across the portfolio. At the country level, where relevant, the country case study authors may examine:

- *Decentralization.* Various forms and processes of administrative, fiscal, and political decentralization that are prevalent in many countries that affect the overall socioeconomic environment in rural areas and project implementation performance. There may be some lessons on how various institutional forms and actions of decentralized governance affect project results.
- *Infrastructure and energy.* Positive impact is often difficult without stable supplies of affordable and adequate energy, transport and communication services. The country case studies will provide an opportunity to look at synergies derived from investments and projects that seek to strengthen these areas.
- *Secondary (rural) town development.* The role of secondary towns for job creation (many of which include agro-processing, and agricultural inputs supply) and other efforts to promote rural-urban linkages.
- *Access to Land.* Understanding the land policy debate and land access issues that affect the development of the rural non-farm economy in the case studies will be important to a broader understanding of the rural non-farm economy. Without officially registered land titles, for example, many people can be in danger of being deprived of their possessions and evicted from their land parcel. Moreover, the absence of secure property rights has many other negative socioeconomic impacts: land conflicts, poor land governance, loss of tax revenues, underdeveloped agriculture and land markets, lack of access to mortgage finance, and more.

47. **Contribution Analysis.** A central challenge in evaluating the World Bank Group’s effectiveness in promoting the development of the Rural Non-Farm Economy is that the Bank Group is never the only cause of observed outcomes and impacts. Instead, activities contribute to observed outcomes that are also influenced by local and global policies, events, and activities, both positive and negative. At the country level, country case studies will be conducted – using contribution analysis - to consider the plausible association of interventions or programs to observed outcomes while accounting for the various other factors that may have positively or negatively influenced them. Contribution analysis will seek to understand the ways that the World Bank Group has partnered with other actors and institutions (including domestic institutions in the public and private sectors and other donors), leveraged its investments, and created synergies within the international aid community to help develop an inclusive rural non-farm economy with the aim of reducing poverty.

48. The Approach Paper lays out a proposed theory of change that guides the different levels of inquiry within the macro-evaluation. Country case studies should test this proposed theory against each country’s unique strategy and portfolio assessments and weigh in on its applicability across different country and regional characteristics. Country cases should be prepared to assess whether multiple theories – nuanced to fit particular historical, political, social and cultural

circumstances – may be needed to guide Bank Group support for poverty reduction as part of a countries’ rural transformation.

## Country Case Selection and Methodology

49. As stated in the *Guidance Note on the Use of Country Case Studies in IEG Macro-Evaluations*, country case studies can provide more contextually specific evidence on factors of success and failure – a richer “textured” sense of how things work in practice – by assessing a number of activities and circumstances that have operated in tandem over time. Country case studies offer an opportunity to provide important details on patterns within countries and across similar or contrasting country typologies. Country Case Study selection is traditionally made to reflect a range of regions and/or income categories of countries, but it can be strategically aligned with the initial understanding of the key conditions influencing country strategy and outcomes in the focal area of the evaluation. A multiple country case study design can enable richer and more robust learning if countries can be differentiated by a set of parameters that are relevant for the anticipated effective development impact. These parameters are not only characteristics of the countries, but also determine how they respond to Bank Group interventions and should allow readers to draw lessons as a function of these parameters.

50. This evaluation will conduct a total of 12 country case studies (including six field assessments). The selection criteria that will be used to identify country cases is as follows:

- (1) **Country selection will be guided by a stratification of countries along the different stages of Agrarian transformation**, as identified by countries’ current position the “three worlds” diagram utilized by the World Development report 2008. This will allow the evaluation to share illustrative examples of what has worked to help grow the rural non-farm economy to reduce poverty within cohorts of countries – or across areas- that are at relatively the same stage of transformation. This will also allow IEG to share lessons about what has worked to help develop the rural non-farm economy in economies that have experienced a more rapid transition than others during the past decade. The attached annex presents data on the transformational stages of each country, utilizing data on labor movement and agriculture’s contribution to GDP.
- (2) **Country selection will also be guided by a stratified approach across the World Bank Group’s regions**, weighted with regard to the number of countries in each region.
- (3) **Finally, country selection will also aim to select countries that have received several different types of interventions** which together may have contributed to the growth of the rural non-farm economy with the aim of reducing poverty. This criterion will help the team focus on coordination, synergy, and sequencing in the activities of the key WBG institutions (WB, IFC, and MIGA).

## **Cross Cutting Tools: Gender Analysis**

51. Recognizing the importance of gender disparities in the rural nonfarm economy, this evaluation will integrate the project level gender analysis conducted for IEG’s 2010 Gender Evaluation, the 2014 Social Safety Net and Gender Learning Product, and the 2015 RAP, for projects that overlap. The gender analysis conducted for the 2010 Gender Evaluation assessed the extent of gender analysis in program documents, the extent of gender-related measures or actions planned at entry for these projects, and the extent to which gender-related results were targeted and included in projects’ M&E systems. The evaluation will also utilize relevant analysis conducted by the 2015 RAP that included a review of completion documents to assess the extent to which changes during implementation impacted the expected results at entry, whether those results were monitored and tracked, and whether any additional gender relevant results were reported on.

52. At the country case study level, the country evaluation teams will review relevant literature, poverty and gender assessments, and economic and sector work. It will also utilize databases such as the Women and the Law indicators to develop an understanding and country specific gender framework. The work will focus on the role of women in the rural non-farm economy, including recognized constraints and the efforts undertaken by the World Bank Group to reduce gender disparity in this space, as well as highlighting where these efforts have not taken place. For example, the vital issue of differences in treatment of women with regard to land tenure will be treated at the country case study level.

53. At the Portfolio Review level, the portfolio team will work with IEG’s Poverty and Gender Specialist to formulate relevant screening questions on identification, targeting, voice and participation, the relevance of the activities from a gender specific point of view, gender monitoring and reporting of disaggregated benefits.

## **World Bank Group Partnerships**

54. As earlier agreed with CODE, IEG is mainstreaming the review of individual partnership programs into major evaluations. This evaluation will include a review of the Global Agricultural and Food Security Program (GAFSP), with a focus on the performance of the WBG as a partner in the program and how WBG performance has created opportunities within the rural non-farm economy (See Box 2). IEG notes that an external evaluation has been recently commissioned by the GAFSP program at the request of the GAFSP donors and IFC is leading this effort. In accordance with protocol, the IEG team will work closely with the GAFSP team leads from the WBG and will review and take account of the external evaluation findings.

**Box 2: The Global Agriculture and Food Security Program (GAFSP)**

The **GAFSP** is a multilateral mechanism designed to assist in the implementation of pledges made by the G20 in Pittsburgh in September 2009. It is implemented as a Financial Intermediary Fund for which the World Bank serves as Trustee. The World Bank also hosts a small coordination unit that provides support to the GAFSP Steering Committee. Its objective is to improve incomes and food and nutrition security in low-income countries by boosting agricultural productivity. GAFSP addresses the underfunding of country and regional agriculture and food security strategic investment plans that are already being developed by countries in consultation with donors and other stakeholders at the country-level. It includes both public and private sector financing windows: The public sector window assists strategic country-led or regional programs that result from sector-wide country or regional consultations and planning exercises such as CAADP in Africa. The public sector window is under the external governance of a Steering Committee composed of an equal number of voting donor and recipient representatives, and non-voting representatives from: the Trustee, UN agencies, potential Supervising Entities (MDBs, World Bank, IFAD), and Civil Society Organizations. The private sector window is designed to provide long and short term loans, credit guarantees and equity to support private sector activities for improving agricultural development and food security. The private sector window is managed by the International Finance Corporation (IFC) with the annual investment plans submitted to and endorsed by the (public sector window) Steering Committee.

**Source:** <http://www.gafspfund.org>.

**Evaluation Tools: Interviews, Focus Groups, Project Performance Assessment Reports (PPARs), and Beneficiary Feedback**

55. The evaluation will develop and administer semi-structured interviews to concerned stakeholders within the World Bank Group, partner organizations, academia and civil society globally. Focus Groups will be conducted with select staff and managers in the World Bank Group that have been integrally involved in policy setting or the implementation of activities within the core themes examined by this evaluation. At the country level, the macro-evaluation has conducted in advance and commissioned simultaneously project performance assessments that are designed to complement and feed into the country case studies. These performance assessments (PPARs) will also include a participatory evaluation approach and tools to solicit beneficiary feedback.

**Team Composition**

56. The evaluation will be managed by Marvin Taylor Dormond, Director, IEGSP and Midori Makino, Acting Manager, IEGSD. The team is comprised of a multi-disciplinary team, combining deep evaluation experience and multi-sectoral expertise. It is designed to be highly collaborative, tapping skills across IEG, that in addition to evaluation, include specializations in agriculture, agribusiness, education, participatory rural development, social protection and gender.

- **Lauren Kelly**, TTL, Senior Evaluation Officer and Rural Development Specialist, IEG
- **Andrew Stone**, Co-TTL, Head, Macro Evaluation, IEG
- **Hassan Kaleem**, IFC and MIGA Lead, Evaluation Officer, IEG

- **Kendra White, Marie Noelle Lantin Roquiz, Daniel Palazov**, Portfolio Team
- **Jack W. van Holst Pellekaan**, Agricultural Economist, IEGPS; Senior Advisor and Country Case Lead (AFR)
- **Christopher Nelson**, Senior Evaluation Officer, IEG; Country Case Lead (EAP)
- **John Redwood**, Senior Consultant, Country Case Study Lead, (LAC)
- **Marcelo Selowsky**, Senior Consultant, IEGCC and Country Case Lead (LAC)
- **Pradeep Mitra**, Senior Consultant and Country Case Lead (SAS)
- **Roger Slade**, Senior Consultant (SAS)
- **Rasmus Heltberg, Anna Anahit Aghuminan, and Detlev Puetz**, former Chief Evaluation Officer of the African Development Bank, Global Programs and Partnerships.
- **Gender Consultant (TBD)**
- **Kate Steingraber**, Beneficiary Assessment, Country Study Support Team
- **Local Consultants: TBD** (Field level Case Study undertakings, including facilitation and translation)

57. The evaluation will be reviewed to ensure its quality. As with the Approach Paper, the Peer Reviewers include:

- a. **Peter Lanjouw**. Peter is the former Research Manager of the Poverty and Inequality Group in the Development Economics Research Group of the World Bank. Dr. Lanjouw’s research focuses on poverty measurement methods and rural-urban economic transformation, including the role the rural non-farm sector plays in a developing country as it transforms from a primarily agricultural economy to a diversified and urbanized economy, and how this shapes poverty and inequality
- b. **Steven Haggblade** Steven is a Professor of International Development in the Department of Agricultural, Food and Resource Economics at Michigan State University. His research interests include agricultural productivity growth and poverty reduction, the rural nonfarm economy, and supply chains that link farms and related nonfarm businesses with final consumers. He has spent the majority of his professional career—22 out of the past 35 years—working overseas on long-term assignments in Bangladesh, Botswana, Burkina Faso, Cameroon, Madagascar and Zambia.
- c. **Nora Dudwick** Nora is a former Senior Social Scientist at World Bank and currently heads the Gender and Social Program at the Millennium Challenge Corporation. Nora has published extensively on topics related to the rural non-farm economy. Recent notable contributions include “*Creating Jobs in Africa's Fragile States: Are Value Chains an Answer?* (Directions in Development, 2013) and *From Farm to Firm: Rural-Urban Transition in Developing Countries* (The World Bank, 2011).

In addition, the team will identify an additional peer reviewer from a Part 2 country for the final evaluation review process.



## EXPECTED OUTPUTS, LINKS TO OTHER STUDIES AND DISSEMINATION

58. The primary output of the evaluation will be a report to the World Bank Group Board of Directors, in particular to the Board’s Committee on Development Effectiveness (CODE). The evaluation will be published and disseminated both internally and externally. IEG will develop presentations, quick notes, blogs, videos, and other products as appropriate for other audiences, including client countries, donors, and NGOs. During the evaluation preparation, the team will solicit feedback and comments from stakeholders, in particular World Bank Group management and practitioners in industries and government agencies in client countries to improve the evaluation’s accuracy and relevance.

59. To maximize the value and use of findings and recommendations to strengthen development outcomes, IEG will implement an outreach plan during the evaluation and after the completion of the evaluation. IEG will launch the report both in Washington, DC, and abroad. The events will target key stakeholders, including staff at headquarters and country offices, other multilateral development banks and donors, government authorities, civil society organizations, and counterpart officials. Possible dissemination events are: IFAD and FAO meetings, the Annual and Spring Meetings, the Bill and Melinda Gates Foundation, WEF regional conferences, UN Dept. of Economic and Social Affairs annual conference, the International Institute for Sustainable Development (IISD), country workshops, etc.

60. **Synergies with Other IEG Studies.** The approach paper also reviewed existing evaluations to determine whether pre-existing evaluative material was available to both add value to and to streamline the budget.

- ❖ The IEG Evaluation of *Growth and Productivity in Agriculture and Agribusiness (IEG 2011)* focused on “the World Bank Group’s contribution to *agricultural growth and productivity*, while the evaluation of IFC activities focused on *food and agribusiness (F&A) growth and development* (p.8). ‘The evaluation [did] not explore broader issues of rural development’ (p.8). Data utilized for the evaluation was taken from World Bank projects approved between 1998 and 2008. For IFC, only projects that were mature and evaluated by 2008 were utilized. On average, IFC investments require five years to mature, thus these projects pre-date the Rural Non-Farm Evaluation Period. While the evaluation did not include a focus on core rural non-farm income generating opportunities, it did include a section on Rural Finance that will be utilized as an input.
- ❖ The recent evaluation, *Financial Inclusion - A Foothold on the Ladder toward Prosperity (IEG 2015)* recognized that most of the future unbanked will be the rural poor. The evaluation recommended that the World Bank Group find and replicate innovative delivery models of financial services to the poor through sequenced and evidence-based approaches. To deliver sustainable, low-cost services, the Bank Group and its partners should research, pilot, and scale up innovative business models and approaches to reach underserved (especially rural) clients. Such an approach would focus on delineated and evaluable interventions and ensure a feedback loop in the design of new projects. Several project performance assessments were utilized as inputs into this

evaluation, two of which overlap with the country case study work proposed for this evaluation (Brazil and Bangladesh).

- ❖ The *Institutional Capability and Financial Viability to Sustain Transport (IEG 2012)* highlighted the results of an econometric modeling exercise conducted by the International Food Policy Research Institute in China, India, Thailand, Uganda, and Vietnam that will be used as a basis of understanding for our enabling reviews at the country level. The study pointed to the positive relationship between public spending on rural roads and poverty reduction. The direct effects were shown to arise in the form of employment programs (directly targeted to the rural poor) that were more accessible owing to the rural roads. The indirect effects were shown to arise when government investments in rural roads, agricultural research, health, and education stimulated agricultural and nonagricultural growth, leading to higher employment and income-earning opportunities for the poor and to cheaper food. Another study of the socioeconomic impact of national highways on rural populations conducted in India between 2003 and 2010 showed a threefold increase in the share of income from non-agriculture activities; an 85 percent increase in female labor participation; a twofold increase in the per capita trip rate for education; and about a 50 percent increase in school enrollment (Fan 2009).
- ❖ The evaluation *Managing Forest Resources for Sustainable Development* found that a decade into implementation of its forestry strategy, the strategy was still relevant and in line with the overall mission of the World Bank Group, but that managing tradeoffs and exploiting synergies among the three goals of poverty reduction, conservation and economic development has proven difficult in implementation, with greater success along the environmental dimension. It found that the World Bank has played a major role in shaping the dialogue on the role of forests and climate change and the development of forest carbon instruments. It also found that Bank Group efforts to provide local populations with sustainable alternatives to forest degradation have often proved to be ineffective or unsustainable after project completion. The evaluation found neglect of the informal sector represented a missed opportunity to reach more of the forest dependent rural poor while helping to enhance the environmentally sustainable forest management. IEG recommended that Bank Management undertake and disclose a comprehensive review of the economic, environmental and social outcomes associated with World Bank support for industrial timber concession reforms in tropical moist forest countries with weak governance. IFC was found to have forestry investments that helped client companies and supported sustainability, yet faced continuing challenges in achieving certification and traceability.
- ❖ Several **project performance assessments** have been conducted in anticipation of this evaluation, and others – that coincide with the country case study selection – will be used as inputs.

## **Timeline and Budget**

61. **Timeline.** The Approach Paper was sent to Management during the first quarter of FY16 and to CODE on December 8th, 2015. The evaluation will be discussed in a One-Stop Meeting, followed by Management Review and submission to CODE by December 2016.

62. **Budget.** The estimated cost of this evaluation, US\$1.2 million, is consistent with other major IEG studies of similar complexity. It seeks to achieve increased efficiencies by utilizing a scoping mission workshop (Delhi) that was conducted in tandem with a project performance mission to India (November 2014) and project performance assessments that were purposively conducted in FY14-FY15 (India, Nigeria, Sri Lanka, Colombia) to inform the development of this approach paper.

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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Afghanistan</b>	..	..	..	..	..	..	..	..	..	..
<b>Albania</b>	58.5	58.5	58	47.6	43.9	42.1	41.5	..	..	..
<b>Algeria</b>	20.7	..	..	..	13.7	13.1	11.7	10.8	..	..
<b>American Samoa</b>	..	..	..	..	..	..	..	..	..	..
<b>Andorra</b>	..	..	..	..	..	..	..	..	..	..
<b>Angola</b>	..	..	..	..	..	..	..	..	..	..
<b>Antigua and Barbuda</b>	2.8	2.8	2.8	2.8	2.8	..	..	..	..	..
<b>Argentina</b>	1.2	1.1	1	0.9	1.2	1.2	1.3	1.2	0.6	..
<b>Armenia</b>	46.9	46.2	46.2	46	37.6	39.5	38.6	38.9	..	..
<b>Aruba</b>	..	..	..	0.7	..	..	..	..	..	..
<b>Australia</b>	3.7	3.6	3.4	3.3	3.3	3.3	..	..	..	..
<b>Austria</b>	5	5.5	5.5	5.7	5.4	5.3	5.2	5.3	4.9	..
<b>Azerbaijan</b>	39.5	39.3	39.1	38.7	38.4	38.1	38.2	37.9	37.7	..
<b>Bahamas, The</b>	4.4	3.5	2.5	2.3	2.9	2.9	..	3.7	..	..
<b>Bahrain</b>	0.8	..	..	..	..	..	1.1	..	..	..
<b>Bangladesh</b>	..	48.1	..	..	..	..	..	..	..	..
<b>Barbados</b>	3.3	..	..	..	..	..	2.8	3.3	2.8	..
<b>Belarus</b>	..	..	..	..	..	10.5	..	..	..	..
<b>Belgium</b>	2.2	2	1.9	1.8	1.6	1.5	1.4	1.3	1.2	..
<b>Belize</b>	22.6	19.5	..	..	..	..	..	..	..	..
<b>Benin</b>	..	..	..	..	..	..	..	..	..	..
<b>Bermuda</b>	1.7	..	..	..	..	..	..	..	..	..
<b>Bhutan</b>	..	43.6	63.1	..	..	65.4	59.5	60.1	62.2	..
<b>Bolivia</b>	35.1	38.6	39.5	36.1	34.3	32.1	..	..	..	..
<b>Bosnia and Herzegovina</b>	..	..	20.6	19.8	20.6	21.2	19.7	19.6	20.5	..
<b>Botswana</b>	..	..	29.9	..	..	..	..	..	..	..
<b>Brazil</b>	21	20.5	19.3	18.3	17.4	17	..	15.3	..	..

<b>Brunei Darussalam</b>	..	..	..	..	..	..	..	..	..	..
<b>Bulgaria</b>	10.6	8.9	8.1	7.5	7.5	7.1	6.8	6.8	6.4	..
<b>Burkina Faso</b>	..	84.8	..	..	..	..	..	..	..	..
<b>Burundi</b>	..	..	..	..	..	..	..	..	..	..
<b>Cabo Verde</b>	..	..	..	..	..	..	..	..	..	..
<b>Cambodia</b>	..	..	..	..	72.2	57.6	54.2	55.8	51	..
<b>Cameroon</b>	..	55.7	..	..	..	..	53.3	..	..	..
<b>Canada</b>	2.7	2.7	2.6	2.5	2.4	..	..	..	..	..
<b>Cayman Islands</b>	..	1.7	2.3	1.8	1.9	..	..	..	..	..
<b>Central African Republic</b>	..	..	..	..	..	..	..	..	..	..
<b>Chad</b>	..	..	..	..	..	..	..	..	..	..
<b>Channel Islands</b>	..	..	..	..	..	..	..	..	..	..
<b>Chile</b>	13.4	13.2	12.8	12.3	11.7	11.2	10.6	10.3	..	..
<b>China</b>	46.9	44.8	42.6	40.8	39.6	38.1	36.7	34.8	..	..
<b>Colombia</b>	19.5	21.4	20.7	19.7	17.9	18.1	18.4	17.6	16.9	..
<b>Comoros</b>	..	..	..	..	..	..	..	..	..	..
<b>Congo, Dem. Rep.</b>	..	..	..	..	..	..	..	..	..	..
<b>Congo, Rep.</b>	..	35.4	..	..	..	..	..	..	..	..
<b>Costa Rica</b>	14.8	15.2	14	13.2	12.3	12.3	15	14.1	13.4	..
<b>Cote d'Ivoire</b>	..	..	..	..	..	..	..	..	..	..
<b>Croatia</b>	16.4	17.3	14.2	13.1	13.4	13.9	14.9	15.4	13.7	..
<b>Cuba</b>	21.2	20.2	20	18.7	18.6	18.6	18.5	19.7	..	..
<b>Curacao</b>	..	..	..	..	..	..	..	..	..	..
<b>Cyprus</b>	5	4.6	4.3	4.4	4.2	3.9	3.8	3.8	2.9	..
<b>Czech Republic</b>	4.3	4	3.8	3.6	3.2	3.1	3.1	3	3.1	..
<b>Denmark</b>	2.9	2.8	2.9	2.6	2.5	2.6	2.4	2.4	2.6	..
<b>Djibouti</b>	..	..	..	..	..	..	..	..	..	..
<b>Dominica</b>	..	..	..	..	..	..	..	..	..	..

<b>Dominican Republic</b>	14.8	14.6	15	14.5	15	14.5	12	14.5	..	..
<b>Ecuador</b>	32.7	31.5	31.3	29.6	28.7	28.7	28.2	28.3	27.8	..
<b>Egypt, Arab Rep.</b>	31.8	30.9	31.2	31.7	31.6	29.9	28.2	29.2	..	..
<b>El Salvador</b>	19.1	20	18.9	18	18.7	20.9	20.8	21.6	21	..
<b>Equatorial Guinea</b>	..	..	..	..	..	..	..	..	..	..
<b>Eritrea</b>	..	..	..	..	..	..	..	..	..	..
<b>Estonia</b>	5.8	5.2	4.8	4.6	3.9	4	4.2	4.4	4.7	..
<b>Ethiopia</b>	82.1	79.3	..	..	..	..	..	..	..	..
<b>Faeroe Islands</b>	..	11.1	..	..	..	..	..	..	..	..
<b>Fiji</b>	..	..	..	..	..	..	..	..	..	..
<b>Finland</b>	4.9	4.8	4.6	4.5	4.5	4.6	4.4	4.2	4.1	..
<b>France</b>	3.9	3.6	3.7	3.5	2.7	2.9	2.9	2.9	2.9	..
<b>French Polynesia</b>	4.3	4.3	4.4	9.2	4	3.3	3.4	3.4	..	..
<b>Gabon</b>	..	24.2	..	..	..	..	..	..	..	..
<b>Gambia, The</b>	..	..	..	..	..	..	..	..	..	..
<b>Georgia</b>	54	54.3	55.3	53.4	..	..	..	..	..	..
<b>Germany</b>	2.3	2.4	2.3	2.2	1.8	1.7	1.6	1.6	1.5	..
<b>Ghana</b>	..	..	57.2	..	..	..	41.5	..	..	..
<b>Greece</b>	12.6	12.4	12	11.5	11.3	11.9	12.5	12.4	13	..
<b>Greenland</b>	..	..	..	..	..	..	..	..	..	..
<b>Grenada</b>	..	..	..	..	..	..	..	..	..	..
<b>Guam</b>	..	..	..	..	..	..	0.3	..	..	..
<b>Guatemala</b>	38.3	..	33.2	..	..	..	33.5	37.7	32.3	..
<b>Guinea</b>	..	..	..	..	..	..	..	..	..	..
<b>Guinea-Bissau</b>	..	..	..	..	..	..	..	..	..	..
<b>Guyana</b>	..	..	..	..	..	..	..	..	..	..
<b>Haiti</b>	..	..	..	..	..	..	..	..	..	..
<b>Honduras</b>	34.9	39.2	36.3	34.6	35.5	37.1	36	35.3	..	..



<b>Hong Kong SAR, China</b>	0.3	0.3	0.2	0.2	0.2	..	..	..	..	..
<b>Hungary</b>	5.3	5	4.9	4.7	4.3	4.6	4.5	4.8	5.2	..
<b>Iceland</b>	6.4	6.5	6.3	5.9	4.6	4.8	5.5	5.5	5.5	..
<b>India</b>	..	55.8	..	..	..	..	51.1	..	47.2	..
<b>Indonesia</b>	43.3	44	42	41.2	40.3	39.7	38.34747	38.96495	35.0896	..
<b>Iran, Islamic Rep.</b>	..	24.7	23.2	22.8	21.2	..	..	..	..	..
<b>Iraq</b>	17	..	29.7	15.1	23.4	..	..	..	..	..
<b>Ireland</b>	5.4	5.9	5.6	5.4	5.3	4.9	4.5	4.5	4.7	..
<b>Isle of Man</b>	..	..	1.9	..	..	..	..	..	..	..
<b>Israel</b>	2	2	1.8	1.6	1.7	1.7	..	..	..	..
<b>Italy</b>	4.2	4.2	4.3	4	3.7	3.7	3.8	3.7	3.7	..
<b>Jamaica</b>	18.5	18.1	18.2	17.6	18.7	20.2	20.2	17.6	18.1	..
<b>Japan</b>	4.5	4.4	4.3	3.9	3.8	3.9	3.7	..	..	..
<b>Jordan</b>	3.6	3.4	3.1	2.7	2.6	3	2	1.7	2	..
<b>Kazakhstan</b>	33.5	32.4	31.5	31.2	30.2	29.4	28.3	26.5	25.5	..
<b>Kenya</b>	..	61.1	..	..	..	..	..	..	..	..
<b>Kiribati</b>	..	..	..	..	..	..	..	..	..	..
<b>Korea, Dem. Rep.</b>	..	..	..	..	..	..	..	..	..	..
<b>Korea, Rep.</b>	8.1	7.9	7.7	7.6	7.2	7	6.6	..	..	..
<b>Kosovo</b>	..	..	..	..	..	..	..	..	4.6	..
<b>Kuwait</b>	..	2.7	..	..	..	..	..	..	..	..
<b>Kyrgyz Republic</b>	38.9	38.5	36.3	34.5	34	..	..	..	..	..
<b>Lao PDR</b>	..	..	..	..	..	..	..	..	..	..
<b>Latvia</b>	13.2	12.1	11.1	9.9	7.9	8.7	8.8	8.9	8.4	..
<b>Lebanon</b>	..	..	..	..	..	6.3	..	..	..	..
<b>Lesotho</b>	..	..	..	..	..	..	..	..	..	..
<b>Liberia</b>	..	..	..	47.6	..	..	48.9	..	..	..
<b>Libya</b>	..	..	..	..	..	..	..	..	..	..

<b>Liechtenstein</b>	..	..	..	..	..	..	..	..	..	..
<b>Lithuania</b>	15.8	14	12.4	10.4	7.9	9.2	9	8.7	8.9	..
<b>Luxembourg</b>	2	1.8	1.8	1.8	1.7	1.3	1	1.2	1.3	..
<b>Macao SAR, China</b>	0.3	0.1	0.2	0.1	0.2	0	..	..	..	..
<b>Macedonia, FYR</b>	16.8	19.5	20.1	18.2	19.7	..	..	18.7	17.3	..
<b>Madagascar</b>	..	80.4	..	..	..	..	..	..	..	..
<b>Malawi</b>	..	..	..	..	..	..	..	..	..	..
<b>Malaysia</b>	14.6	14.6	14.6	14.8	14	13.5	13.3	11.5	12.6	..
<b>Maldives</b>	..	..	11.5	..	..	..	..	..	..	..
<b>Mali</b>	41.5	..	66	..	..	..	..	..	..	..
<b>Malta</b>	1.9	1.7	1.6	1.6	1.7	1.4	1.3	1.1	1	..
<b>Marshall Islands</b>	..	..	..	..	..	..	..	..	..	..
<b>Mauritania</b>	..	..	..	..	..	..	..	..	..	..
<b>Mauritius</b>	10	10	9.6	9.1	8.9	9	8.7	8.4	7.8	..
<b>Mexico</b>	16.4	14.9	14.3	13.5	13.1	13.5	13.1	13.4	..	..
<b>Micronesia, Fed. Sts.</b>	..	..	..	..	..	..	..	..	..	..
<b>Moldova</b>	40.5	40.7	33.6	32.8	31.1	28.2	27.5	27.5	26.4	..
<b>Monaco</b>	..	..	..	..	..	..	..	..	..	..
<b>Mongolia</b>	40.2	39.9	38.8	41.6	40.6	40	33	32.6	..	..
<b>Montenegro</b>	..	8.6	..	8.7	7.6	6.5	6.2	5.6	5.7	..
<b>Morocco</b>	45.8	45.4	43.3	42.1	40.9	40.5	40.2	39.8	39.2	..
<b>Mozambique</b>	..	..	..	..	..	..	..	..	..	..
<b>Myanmar</b>	..	..	..	..	..	..	..	..	..	..
<b>Namibia</b>	29.9	..	..	..	16.3	..	..	29.8	27.4	..
<b>Nepal</b>	..	..	..	..	..	..	..	..	..	..
<b>Netherlands</b>	3.1	3.2	3.1	2.8	2.6	2.5	2.8	2.5	..	..
<b>New Caledonia</b>	..	3.1	2.9	2.9	2.7	..	..	..	..	..
<b>New Zealand</b>	7.5	7.1	7.1	7.2	6.9	6.6	..	..	..	..

<b>Nicaragua</b>	30.3	28.9	29.1	29.5	28.2	..	32.2	..	..	..
<b>Niger</b>	..	56.9	..	..	..	..	..	..	..	..
<b>Nigeria</b>	44.6	..	..	..	..	..	..	..	..	..
<b>Northern Mariana Islands</b>	..	..	..	..	..	..	..	..	..	..
<b>Norway</b>	3.6	3.3	3.3	2.9	2.6	2.7	2.5	2.4	2.2	..
<b>Oman</b>	..	..	..	..	..	..	5.2	..	..	..
<b>Pakistan</b>	43	43	43.4	43.6	44.7	..	..	45.1	..	43.7
<b>Palau</b>	..	..	..	..	..	..	..	..	..	..
<b>Panama</b>	19.3	19.3	19.5	18.9	17.9	17.9	17.4	17	16.7	..
<b>Papua New Guinea</b>	..	..	..	..	..	..	..	..	..	..
<b>Paraguay</b>	33.3	32.4	31.2	29.5	26.5	29.5	26.8	26.4	27.2	..
<b>Peru</b>	33.3	32.9	32	28.2	27.5	27.7	25.7	25.8	..	..
<b>Philippines</b>	36	36	35.8	35.1	35.3	35.2	33.2	33	32.2	..
<b>Poland</b>	18	17.4	15.8	14.7	14	13.3	12.8	12.7	12.6	..
<b>Portugal</b>	12.1	11.8	11.7	11.6	11.2	11.2	10.9	9.9	10.5	..
<b>Puerto Rico</b>	2.1	2.1	1.4	1.1	1.5	1.5	1.6	1.6	1.6	..
<b>Qatar</b>	2.7	..	3	2.4	1.6	1.6	..	1.4	1.4	..
<b>Romania</b>	31.6	32.1	30.5	29.5	28.7	29.1	30.1	28.6	29	..
<b>Russian Federation</b>	10.2	10.2	10	9	8.6	9.7	..	..	..	..
<b>Rwanda</b>	..	78.8	..	..	..	..	..	..	..	..
<b>Samoa</b>	..	..	..	..	..	..	..	..	..	..
<b>San Marino</b>	0.4	0.5	0.4	0.4	0.3	..	..	..	..	..
<b>Sao Tome and Principe</b>	..	..	..	..	..	..	..	..	..	..
<b>Saudi Arabia</b>	..	..	4	4.3	4.3	4.1	..	4.3	4.7	..
<b>Senegal</b>	..	..	33.7	..	..	..	..	..	..	..
<b>Serbia</b>	24	23.3	20.5	20.8	25.1	24	22.2	21.2	21	..
<b>Seychelles</b>	..	..	..	..	..	..	..	..	..	..
<b>Sierra Leone</b>	68.5	..	..	..	..	..	..	..	..	..

<b>Singapore</b>	0.8	1.1	1.3	1.1	1.2	1.1	..	..	..	..
<b>Sint Maarten (Dutch part)</b>	..	..	..	..	..	..	..	..	..	..
<b>Slovak Republic</b>	5.1	4.7	4.4	4.2	4	3.6	3.2	3	3.2	..
<b>Slovenia</b>	9.6	8.8	9.6	10.2	8.6	9.1	8.8	8.6	8.3	..
<b>Solomon Islands</b>	..	..	..	..	..	..	..	..	..	..
<b>Somalia</b>	..	..	..	..	..	..	..	..	..	..
<b>South Africa</b>	9.1	7.5	8.5	8.8	5.7	5.1	4.9	4.6	..	..
<b>South Sudan</b>	..	..	..	..	..	..	..	..	..	..
<b>Spain</b>	5.5	5.3	4.8	4.5	4	4.2	4.3	4.2	4.4	..
<b>Sri Lanka</b>	33.5	30.7	32.2	31.3	32.6	32.6	32.7	40.2	39.4	..
<b>St. Kitts and Nevis</b>	..	..	..	..	..	..	..	..	..	..
<b>St. Lucia</b>	14.8	..	..	..	..	..	..	..	..	..
<b>St. Martin (French part)</b>	..	..	..	..	..	..	..	..	..	..
<b>St. Vincent and the Grenadines</b>	..	..	..	..	..	..	..	..	..	..
<b>Sudan</b>	..	..	..	..	..	..	..	..	..	..
<b>Suriname</b>	8	..	..	..	..	..	..	..	..	..
<b>Swaziland</b>	..	..	..	..	..	..	..	..	..	..
<b>Sweden</b>	2.1	2	2	2.2	2.1	2.2	2.1	2	2	..
<b>Switzerland</b>	3.8	3.8	3.8	3.9	3.3	3.1	3.3	3.4	3.5	..
<b>Syrian Arab Republic</b>	..	..	19.6	19.1	16.9	15.2	14.3	14.3	..	..
<b>Tajikistan</b>	55.5	..	..	..	..	..	..	..	..	..
<b>Tanzania</b>	..	..	76.5	..	..	..	..	..	..	..
<b>Thailand</b>	42.3	42.6	42.1	41.7	42.5	39	38.2	38.7	39.6	..
<b>Timor-Leste</b>	..	..	..	..	..	..	50.6	..	..	..
<b>Togo</b>	..	..	54.1	..	..	..	..	..	..	..
<b>Tonga</b>	..	..	..	..	..	..	..	..	..	..
<b>Trinidad and Tobago</b>	4.6	4.3	4.4	3.8	3.8	..	..	..	..	..
<b>Tunisia</b>	..	18.7	19.3	18.3	17.7	18.1	17.6	16.2	..	..

<b>Turkey</b>	34	29.5	27.3	23.5	23.7	22.9	23.7	24.2	23.6	..
<b>Turkmenistan</b>	..	..	..	..	..	..	..	..	..	..
<b>Turks and Caicos Islands</b>	1.6	1.4	1.8	1.2	..	..	..	..	..	..
<b>Tuvalu</b>	..	..	..	..	..	..	..	..	..	..
<b>Uganda</b>	..	71.6	..	..	..	65.6	..	..	..	..
<b>Ukraine</b>	19.7	19.4	17.6	16.7	15.8	15.6	..	16.8	17.2	..
<b>United Arab Emirates</b>	..	4.9	..	..	4.2	3.8	..	..	..	..
<b>United Kingdom</b>	1.3	1.3	1.3	1.4	1.1	1.1	1.2	1.2	1.2	..
<b>United States</b>	1.6	1.6	1.5	1.4	1.5	1.5	1.6	..	..	..
<b>Uruguay</b>	5	4.6	11.1	11	10.8	11.1	11.8	10.9	..	..
<b>Uzbekistan</b>	..	..	..	..	..	..	..	..	..	..
<b>Vanuatu</b>	..	..	..	..	..	60.5	..	..	..	..
<b>Venezuela, RB</b>	10.4	9.7	9.1	8.7	8.5	8.8	8.7	..	7.7	..
<b>Vietnam</b>	57.9	..	51.7	..	..	..	..	48.4	47.4	..
<b>Virgin Islands (U.S.)</b>	..	..	..	..	..	..	..	..	..	..
<b>West Bank and Gaza</b>	15.9	14.6	16.1	15.6	13.4	11.8	11.8	11.9	11.5	..
<b>Yemen, Rep.</b>	31	..	..	..	..	..	24.7	..	..	..
<b>Zambia</b>	..	72.2	..	..	..	..	..	..	..	..
<b>Zimbabwe</b>	64.8	..	..	..	..	..	..	..	..	..

Source: World Development Indicators.

**Attachment 2.B: Country Tables, Employment in Agriculture, IFAD**

	Ag Employment (millions)		Growth in Ag Employment (%)	Ag Employment (%)	
	1988	2007	1998-2008	1988	2007
<b>Afghanistan</b>	3.89	7.53	93.8	63.3	
<b>Algeria</b>	1.84	2.92	58.5	14.6	12.5
<b>Angola</b>	3.52	5.22	48.4	69.6	55.4
<b>Antigua and Barbuda</b>	0.01	0.01	12.5	.	.
<b>Argentina</b>	1.46	1.43	-2.5	7.7	5.6
<b>Bangladesh</b>	32.9	37.87	15.1	56	36.9
<b>Barbados</b>	0.01	0.01	-44.4	5.4	2.7
<b>Belize</b>	0.02	0.03	52.6	20.3	15.5
<b>Benin</b>	1.44	1.92	33.7	62.8	41.4
<b>Bhutan</b>	0.75	1.02	36.1	.	.
<b>Bolivia</b>	1.21	1.65	36.5	34.5	29.1
<b>Botswana</b>	0.29	0.35	21.6	43.8	29.7
<b>Brazil</b>	16.03	11.93	-25.6	18.6	9.3
<b>Burkina</b>	Faso	3.9	5.79	48.5	93.1
<b>Burundi</b>	2.67	3.59	34.5	95.2	76.4
<b>Cambodia</b>	3.03	4.96	63.8	62.9	56.2
<b>Cameroon</b>	3.13	3.7	18.2	53.2	35.3
<b>Cape Verde</b>	0.04	0.04	10.8	22.5	14
<b>CAR</b>	1.14	1.28	12.2	74.9	52.4
<b>Chad</b>	2.25	3.09	37	77.3	54.3
<b>Chile</b>	0.92	1.02	11.4	11.3	8.9
<b>China</b>	474.53	509.22	7.3	65.6	53.7

	Ag Employment (millions)		Growth in Ag Employment (%)	Ag Employment (%)	
	1988	2007	1998-2008	1988	2007
	<b>Colombia</b>	3.76	3.65	-3	20.1
<b>Comoros</b>	0.18	0.27	54.9	84.7	71.7
<b>Congo</b>	0.49	0.58	19.7	40.7	29.1
<b>Costa Rica</b>	0.31	0.33	7.2	17.7	
<b>Côte d'Ivoire</b>	2.83	3.22	14.1	46.2	28.3
<b>Cuba</b>	0.87	0.71	-18.2	12.3	9
<b>Korea</b>	3.84	3.1	-19.2	28.5	19
<b>DRC</b>	10.44	14.43	38.2	58.3	44.6
<b>Djibouti</b>	0.01	0.01	-11.1	.	.
<b>Dominica</b>	0.01	0.01	-11.1	21.6	17.6
<b>Dominican</b>	0.69	0.53	-23.1	15.5	7.7
<b>Ecuador</b>	1.17	1.21	3.3	21.3	14.4
<b>Egypt</b>	7.88	8.6	9.2	26.6	16.7
<b>El Salvador</b>	0.7	0.81	15.3	25.2	21.9
<b>Equatorial Guinea</b>	0.11	0.14	25.2	53.2	37.8
<b>Eritrea</b>	.	1.43	.	.	53.3
<b>Ethiopia</b>	.	27.53	.	.	64.4
<b>Fiji</b>	0.11	0.14	19.5	26.8	25.3
<b>Gabon</b>	0.22	0.2	-10.5	47.4	23.1
<b>Gambia</b>	(The)	0.36	0.6	66.3	80
<b>Ghana</b>	4.15	6.25	50.4	55.8	46.4
<b>Grenada</b>	0.01	0.01	-8.3	22.6	16.1
<b>Guatemala</b>	1.54	1.93	24.9	35.5	26.4
<b>Guinea</b>	2.67	3.79	41.9	88.9	71.5

	Ag Employment (millions)		Growth in Ag Employment (%)	Ag Employment (%)	
	1988	2007	1998-2008	1988	2007
	<b>Guinea-Bissau</b>	0.37	0.55	47.3	70.9
<b>Guyana</b>	0.06	0.05	-13.3	13.7	10.7
<b>Haiti</b>	1.93	2.24	16.2	53.1	38.8
<b>Honduras</b>	0.7	0.79	12.5	29.7	18.8
<b>India</b>	225.85	280.72	24.3	47.7	38.8
<b>Indonesia</b>	42.18	50.54	19.8	41.3	33.2
<b>Iran</b>	5.36	6.69	24.9	20	13.2
<b>Iraq</b>	0.83	0.65	-21.3	9.4	.
<b>Jamaica</b>	0.29	0.25	-13	21.3	14.8
<b>Jordan</b>	0.12	0.19	67.2	8	5.4
<b>Kenya</b>	8.39	12.71	51.5	80.3	60.4
<b>Lao</b>	1.52	2.28	49.5	72.7	63.1
<b>Lebanon</b>	0.07	0.04	-52.1	4.3	1.3
<b>Lesotho</b>	0.24	0.28	14	30.6	24.4
<b>Liberia</b>	0.63	0.8	25.6	54.3	38.9
<b>Madagascar</b>	4.36	6.46	48.1	79	63
<b>Malawi</b>	3.74	4.9	31	.	68
<b>Malaysia</b>	2.05	1.71	-16.4	20.5	9.7
<b>Maldives</b>	0.03	0.03	-12.9	30.3	13
<b>Mali</b>	3.67	4.98	35.7	95.8	73.3
<b>Mauritania</b>	0.52	0.71	35.1	53.7	38.3
<b>Mauritius</b>	0.08	0.05	-30.8	11.4	6.1
<b>Mexico</b>	8.44	8.51	0.9	18.9	12.4
<b>Morocco</b>	4.1	4.24	3.5	31.8	20.6



	Ag Employment (millions)		Growth in Ag Employment (%)	Ag Employment (%)	
	1988	2007	1998-2008	1988	2007
	<b>Mozambique</b>	5.72	8.25	44.2	84.8
<b>Myanmar</b>	14.85	19.48	31.2	66.5	58.7
<b>Namibia</b>	0.21	0.25	22.4	30.3	20.5
<b>Nepal</b>	8.17	12.08	47.9	82.6	71.8
<b>Nicaragua</b>	0.41	0.38	-6.8	20.6	11.3
<b>Niger</b>	3.44	5.64	63.7	95.9	79.5
<b>Nigeria</b>	15.46	15.19	-1.7	33.9	18.5
<b>Oman</b>	0.24	0.32	32.6	26.2	17.5
<b>Pakistan</b>	20.03	27.7	38.3	36.9	28.4
<b>Panama</b>	0.24	0.25	5.1	17.2	11.4
<b>PNG</b>	1.5	2.03	35.2	68.8	54.8
<b>Paraguay</b>	0.58	0.77	32.6	26.8	20.4
<b>Peru</b>	2.56	3.1	20.7	21.5	16.9
<b>Philippines</b>	10.73	13.09	21.9	32.4	23.5
<b>Rwanda</b>	3.2	4.38	36.7	93.7	81.4
<b>Saint Kits and Nevis</b>	0.01	0	-20	.	.
<b>Saint Lucia</b>	0.02	0.02	6.7	20.8	14.2
<b>Saint Vincent and the Grenadines</b>	0.01	0.01	0	204	16.7
<b>Samoa</b>	0.03	0.02	-20	.	20
<b>Sao Tome and Principe</b>	0.03	0.05	32.4	62.8	50.9
<b>Senegal</b>	2.55	3.75	46.7	71	57
<b>Seychelles</b>	0.03	0.04	14.7	.	.
<b>Sierra Leone</b>	1.04	1.25	20.2	48	40.9

	Ag Employment (millions)		Growth in Ag Employment (%)	Ag Employment (%)	
	1988	2007	1998-2008	1988	2007
<b>Solomon Islands</b>	0.12	0.18	50.8	78.4	61.1
<b>Somalia</b>	2.29	2.57	12.1	65.9	54.8
<b>South Africa</b>	1.63	1.29	-20.6	8.4	4.2
<b>Sri Lanka</b>	3.4	4.23	24.4	33	30.6
<b>Sudan</b>	6.47	8.22	27	47.5	34.9
<b>Suriname</b>	0.03	0.03	14.3	11.6	9.6
<b>Swaziland</b>	0.11	0.12	4.5	28	17.4
<b>Syrian</b>	1.15	1.69	46.7	19.9	13
<b>Thailand</b>	19.56	20.2	3.3	55.4	42.5
<b>Togo</b>	1.02	1.49	45	54.6	40.9
<b>Tonga</b>	0.01	0.01	-14.3	26.8	20.4
<b>Trinidad and Tobago</b>	0.05	0.05	-7.8	7	4.8
<b>Tunisia</b>	0.82	0.99	20.3	18.5	13.8
<b>Turkey</b>	12.92	14.99	16	40.7	30.3
<b>Uganda</b>	7.09	10.57	49.1	86.9	68.9
<b>Tanzania</b>	10.87	15.8	45.4	88.9	71.2
<b>Uruguay</b>	0.19	0.19	-1.6	10.1	9
<b>Venezuela</b>	0.86	0.76	-11.5	7.9	4.2
<b>Vietnam</b>	22.8	29.47	29.2	65	50.9
<b>Yemen</b>	2.07	3.09	49.6	39.5	25.1
<b>Zambia</b>	2.53	3.29	30.4	66.2	51.4
<b>Zimbabwe</b>	3.07	3.69	20.1	62.1	53.1

Source: IFAD Rural Poverty Report (2011)