



IICA



Presentation
by Dr. Martin E. Piñeiro,
Director General of IICA,
at the Twenty-Second FAO
Regional Conference
for Latin America and the Caribbean
Montevideo, Uruguay
October 1, 1992

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Mr. Chairman of the Conference
Mr. Independent Chairman of the Council
Honorable Ministers and Delegates
Ladies and Gentlemen

I would like to thank the Chairman of the Conference for affording me the opportunity to address you today, as Director General of the Inter-American Institute for Cooperation on Agriculture (IICA), and to comment on the key items on the agenda. It is a pleasure for me to be here in Montevideo, where I have so many friends, and to be in this conference room, where seven years ago I was elected to the position of Director General of IICA. Also, Mr. Chairman, IICA's presence at this important meeting is particularly fitting given that within a few days the Institute will be celebrating fifty years of institutional life in support of its member countries.

I would also like to congratulate the organizers of this event for their insightful selection of the items on the technical agenda, which, not by accident, coincide in many ways with the agenda discussed at the Tenth

Inter-American Conference of Ministers of Agriculture, held last year in September in Madrid. The general theme of that conference was "Latin American and Caribbean Agriculture and the International Context of the Nineties: Strategies for the Close of the Century." The member countries, 28 of which were represented by their ministers of agriculture, continued the process of deliberation begun in Ottawa, Canada, and designed a program for joint action aimed at modernizing agriculture and defining new schemes for international cooperation.

During this meeting, we will be discussing some of the principal topics on the agricultural agenda for the coming decade, and identifying important areas in which the United Nations Food and Agriculture Organization (FAO) and IICA can work together in the future on behalf of the member countries of the two institutions.

The first topic on the agenda of this Conference, which is dealt with in the document prepared by FAO and was addressed by the heads of delegation, illustrates the unpredictability that still prevails in the international economy. Added to the short-term uncertainties associated with the level of economic activity in the developed countries are doubts and questions about how the unification of the European Economic Community (EEC) and the still questionable and difficult economic recovery of Eastern Europe will affect the international trade of agricultural commodities.

Clearly, our region must have stable, expanding markets at the international level if it is to play a new role in the world economy based on its comparative advantages in the agri-food sector. The growing globalization of the international economy makes it more necessary than ever before to undertake joint efforts at the world level if the 1990s are to serve as a springboard to a new phase of economic growth and development. This is the only way to build a world free of global conflicts and to create the conditions necessary for addressing the most pressing problems facing mankind, such as environmental deterioration and the poverty and isolation crippling broad segments of the world's population.

This lack of definition in the international economy, especially as regards agricultural trade, is illustrated and aggravated by the delay in concluding the Uruguay Round of the GATT, which, six years after its outset, seems to have reached an impasse. This makes it very difficult to foresee how and under what conditions it will be possible to bring the negotiations to a conclusion that takes into account the aspirations as well as the commitments that have been assumed by the developing countries.

Showing great courage and political determination, the Latin American and

Caribbean countries recently began the long and difficult road toward trade liberalization, in the hope that multilateralism would triumph at this round of negotiations and represent the beginning of the end of agricultural protectionism in the industrialized countries. Today, they have every reason to feel disconcerted about the unpredictable course of events.

I am convinced that we must view the current situation as something temporary that will work itself out, step by step, as agriculture is restructured worldwide in response to the financial and political unsustainability of protected markets and to the present concern for environmental protection. This restructuring will provide new opportunities for agriculture in developing countries, opportunities we must get ready to take advantage of with our own efforts.

It would therefore be a tragic mistake for the region to allow current international trade difficulties to divert our attention away from efforts already under way to modernize agriculture and to emphasize agricultural production. Our most important task now is to steel ourselves for the challenges of the twenty-first century. Our efforts must focus on making agriculture, and especially small-scale farming, more dynamic and competitive in order to gain greater access not only to international but also to national and regional markets. In this process, priority must be given to bringing about a new technological revolution that will improve productivity while conserving natural resources.

Today we are beginning to see the results of research and development in molecular and cellular biology, which have developed new tools with a wide range of applications. Together with advances in other fields such as microelectronics, informatics, communications and new materials, these tools are redefining the geography of agricultural

production and trade. This represents a challenge for our countries that is far greater than any faced in the past.

Although the region is in a position to take advantage of opportunities opening up in this field, I believe we must be realistic. The economic crisis and the adjustment programs undertaken during the last decade have seriously undermined our scientific and technological infrastructure. If this trend is not reversed, it will be very difficult to close the gap between the developing and the developed countries. The answer is not simply greater investment in human resources and infrastructure. It is also necessary to give new thought to the policy framework and to institutional arrangements in order to improve coordination of public and private sector participation in research and development, find better ways to finance investments in technological development, protect intellectual property rights and establish regulations to ensure biological and environmental safety of new technologies. FAO, IICA and the international centers have an important responsibility in this respect.

Just as the rural sector in the industrialized countries has demonstrated considerable political force, as illustrated by the developments at the GATT negotiations and the recent referendum in France, we must work to give the agricultural sector in our region the important position it deserves and an active role in the social and political lives of our countries.

To those who insist that agriculture is a sector of little consequence that is steadily losing ground in the world economy, we must respond that the agri-food sector accounts for between 25 and 40 per cent of the gross product of the overall economies of our countries. This "expanded" sector is the principal source of employment and a determining component of a development

strategy whose objectives are to eliminate poverty and restore the ecological balance. Future generations have a legitimate right to both.

With the worst of macroeconomic adjustment behind us, we must accelerate agricultural modernization, focusing on competitiveness, equity and sustainability. To accomplish this, we must concentrate our efforts on creating fora for dialogue and negotiation, upgrading the analytical capabilities and information systems of the public sector, streamlining and improving management capabilities, delegating certain activities to nongovernmental organizations, achieving decentralization and deconcentration, and defining new schemes for cooperation between the public and private sectors.

All of this implies changing over to a new style of development, which many of our countries have already begun to do. International cooperation must follow suit. Our international agencies were, in many cases, engendered by schemes which we now recognize to be outdated, and which need to be reshaped to meet the needs of an interdependent world of shared interests and common needs, in which the concepts of solidarity, open dialogue and shared responsibilities, while different in poor and rich countries, should be the core of a new proposal for international cooperation.

The international context of the post-Cold War era, characterized by increasing globalization of the world economy, needs multilateral institutions more than ever before, especially cooperation agencies. In this regard, many of the issues covered by FAO's mandates will take on renewed importance.

This new international setting and the growing understanding of our interdependence worldwide as concerns natural resource and environmental conservation; the linked issues

of food security, poverty and hunger; uncontrolled migration; and regional and international agricultural trade, are the backdrop against which we must build a common cooperation agenda for a new and more robust multilateral cooperation.

The conservation and development of natural resources (tropical forests and biodiversity, among others) head up the international agenda. A new balance will have to be struck between shared responsibilities and national sovereignty, very much a factor in the new world order taking shape today. Multilateral agencies will have a major role to play in this process.

In this setting, multilateral agencies can play an important part as fora where the countries can assess and discuss the problems of agriculture worldwide as well as possible joint actions for tackling them. In order to be successful in this, we must be capable not only of generating ideas and proposals, but also of creating an environment and climate in which the countries can engage in constructive dialogue to reach common goals. Mechanisms will also be needed for implementing and following up on international agreements, which will demand a new commitment on the part of all the member countries of the multilateral organizations.

The technical cooperation provided by multilateral agencies should be organized in a carefully planned and participatory manner so that the general guidelines and priorities set reflect a view shared by all the countries. In addition, the technical and financial effectiveness of this cooperation could be enhanced considerably through active and generous collaboration of the agencies of the United Nations system with other international agencies, especially regional and subregional organizations such as IICA.

Mr. Chairman, our multilateral organizations need to adopt the changes that the countries are making in their own organizations. Democratization of decision making, decentralization, rewarding of initiative, and emphasis on technical considerations are key points of long overdue and necessary institutional reforms.

Mr. Chairman and honorable ministers, it is my hope that as a result of this Regional Conference, actions to strengthen the role of agriculture in our region will be given new impetus, and FAO and IICA will prove to be effective instruments of support to the countries of Latin America and the Caribbean in these times of change worldwide.

