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Towards the Improvement of Agriculture and Rural Life in the Americas

Speeches by Chelston W.D. Brathwaite, Director General
Inter-American Institute for Cooperation on Agriculture



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Inter-American Institute for Cooperation on Agriculture*



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*New Year Message**

I am indeed pleased to send you personal greetings for the New Year and I hope that it will be a year of personal growth, success and happiness for you and your families.

For all of us at the Institute, 2002 was a year of change and challenges as we moved from one administration to another and as we passed through a transition process, which always generates uncertainty and concern.

Thank you for your patience and understanding during 2002. Today, the period of uncertainty is over and this is the time for consolidating the changes that we implemented last year in order to realize the goals set out in the 2002-2006 Medium Term Plan.

In order to achieve those goals, we must continue to work as a team, committed to the noble goal of promoting prosperity in the rural communities of the Americas. Let us grasp the opportunity and demonstrate that our Institute, however small, can contribute to bringing about progress and social justice in our Hemisphere.

This year will be an important one for those of us who share the conviction that agriculture and rural life are crucial for democratic stability, human development and the welfare of the peoples of the Americas.

The centennial celebrations of the Republic of Panama will be the backdrop for the Twelfth Regular Meeting of the Inter-American Board of Agriculture and the Second Ministerial Meeting on Agriculture and Rural Life held within the context of the Summit of the Americas process. These events will afford us an opportunity to move forward in our efforts to bring about food security and reduce rural poverty, two goals of our member countries to which IICA is committed.

Let us move ahead into the twenty-first century to build, together with all men and women of good will, a world of human dignity and social equity for all.

Once again, let me thank all of you for the cooperation I received last year and I wish you the very best in 2003.

* Institute Headquarters. January 2

*Celebration of the 60th Anniversary of IICA in the United States**

On the occasion of the 60th Anniversary of IICA, I am pleased to join the United States agricultural and agribusiness community in honoring sixty U.S. citizens for their outstanding contributions to improving agriculture, rural life and food security in the Americas. It is indeed our honor to recognize you. As we travel around the globe, we realize a basic fact: States, provinces, lands and autonomous communities are all striving to build their own bridges to trade, scientific exchanges, increased financial flows as well as information and communication. All face fiscal burdens and feel somewhat uneasy about the challenges and opportunities laid at their doorsteps by globalization. All must find the path to prosperity by seeking new ways. Today's partnership with NASDA at this event illustrates the potential that exists for rewarding collaboration among each one of the fifty U.S. states and the other 33 countries in the Americas where our Institute is at work.

As we have done since our founding in 1942, IICA continues to look forward to supporting those who build the future. And you are all building tomorrow's cultures.

The future of agriculture, food security and trade will be marked by three clearly powerful trends:

- The continuing decline of agricultural commodity prices (with a few exceptions such as cocoa), while key inputs (such as energy) keep climbing in a destructive spiral. The severity of poverty is increasing in many countries and food exporters to promising markets see the volume of their shipments dwindle day by day.
 - Population growth and increasing urbanization are shifting food demand from traditional staples to more animal products, fruits and vegetables. Rural-urban migration and international population movements aggravate uncertainty and tensions. Close to 90 percent of the populations of Argentina and Venezuela, for example, live in urban centers. International migration also supplies the agricultural and agribusiness labor needed in regions where former inhabitants have become urbanized. And, as many honorees here today prove, these immigrants bring renewed energy and talent to their new lands.
 - A fundamental impact of current population trends is that over 80% of tomorrow's population will be living in developing countries; they will determine the prosperity of agricultural markets in the foreseeable future.
 - Scientific breakthroughs ranging from improved soil management and agroforestry, to molecular breeding, to the application of space technology are opening the way to increased yields and improved ecological management; they are also supplying potential biological alternatives, such as nutraceuticals, bio-fuels, and agri-materials.
- The liberalization and new restrictions that replace former tariffs and a more shifting rules of the game based often on competitiveness, but also on domestic support programs that, according to the World Bank, may reach a billion dollars a day among the OECD countries.

* Washington, D.C. February 3

- An all pervasive “era of knowledge” fed by a continuous stream of digital information and communication is shaping the growing prosperity. It also brings with it the danger of chronic historical isolation to those who are not “connected,” by exacerbating the rural-urban digital divide.
- Better-informed and increasingly organized consumers, puzzled by the claims surrounding the new agricultural sciences, demand better food safety standards, more trustworthy regulatory agencies and transparent product information
- An improved awareness throughout the world of ecology, the fragility of our natural resource endowment, the scarcity of water and increasing desertification, as well as the potential impact of innovations on human ecology, place new burdens on the scientific community and the agricultural sector while opening new revenue opportunities for the rural areas.

Given these worldwide trends and the strategic role of agriculture in them, IICA has been called upon to assume a stronger leadership role within the Organization of American States (OAS). I am pleased that this event, honoring excellence and commitment to create a better world, has been graciously hosted by our friends in the OAS.

To transform those challenges into opportunities, IICA proposes to serve its Member States, including the United States—one of our founding members—by changing its priorities and targeting its

resources more carefully. Our professionals, networks and alliances will support trade capacity building and promote competitive agribusinesses and investments. They will encourage and strengthen research and foster the accelerated use of science based innovations; extend the use of digital information and communications, especially in marketing, agrifood chains, distance education and technological extension. Our efforts will also focus on actively promoting policies and regulations which aim to preserve the natural resource base in the rural milieu and enhance harmony between agriculture and the resources that make agriculture possible. IICA will nurture alliances throughout the hemisphere in order to bring the most up-to date education to our professionals and knowledge to our teachers and universities, and will increase the reach of agricultural health and food safety in order to protect producers and consumers from transboundary diseases and harmful products through the rigorous application of effective sanitary and phytosanitary measures and improved food health practices along the agri-food chain.

I would like to revisit a point central to our overarching purpose: the creation of rural prosperity. A recent analysis, spearheaded by the World Bank, shows that the most important way out of poverty, over the long run, is competitive trade in a level playing field. This playing field will be frequently shaped by regional affinities. For that reason, the Institute will promote policies that promote integration, cooperation and participation in the regional and global economy. Emerging trading blocks such as the Central America Free Trade Agreement, and the future Free Trade Agreement of the Americas

TEA), offer unique opportunities for lifting all the boats. But I must caution that the boats of the poor will float with the others only if special and well targeted programs are designed and funded to help bring them into the global economy. Otherwise, we may fall far short of the hopes created by these agreements. Rural prosperity will fuel an ever-increasing demand for the agricultural products of major exporting members in these new trade blocks. While the bane of trade is poverty, prosperity smiles on everyone.

We begin today a new chapter in the life of IICA in the United States by honoring a country that, in a short period of time, emerged from the wilderness to become a model of development and prosperity. Why are Americans capable of this greatness when most of them, but for the native children of this land, had their original roots in other cultures? Because the founding fathers created outstanding institutions. Those institutions have not only conserved the vitality and creativity of their founders, but have multiplied same across generations, across time and space. Sixty at 60, as our office in the United States has named this event, honors 60 American ambassadors of rural prosperity: men and women who have made significant contributions as entrepreneurs, scientists, national and international public servants, educators, administrators, and civic, political and labor leaders. They are today the founding fathers and mothers of the institutions that will bring prosperity tomorrow.

I would like to make a special reference to those who have provided leadership to this institution with honour and pride. I speak of the

contributions and the vision of Dr. Henry Wallace. I speak of Dr. Earl Bressman and Dr. Ralph Allee, Americans who founded and guided our Institute through its early and challenging days. They have earned a special place in our gratitude and memories.

I would like to highlight a particular American institutional innovation: its land grant colleges and universities. The foundation was laid for same by a leader of leaders, Abraham Lincoln, at a time of devastating national crisis. By bringing knowledge to the people, he launched the "era of knowledge." Today, the United States is once again facing a difficult period, and we express our deepest respects for the victims of September 11. Terrorism is a threat to all of us.

But in these times of personal and national hardship, we should follow Abraham Lincoln's leadership by planting the seeds of knowledge and opening opportunities for increased prosperity for the isolated poor in our hemisphere. In 15 years time, on the occasion of our diamond anniversary, we want to celebrate the success of 75 young ambassadors, who represent thousands of men and women from across the Americas, and whose success was made possible by their access to knowledge and opportunity. We are confident that new assistance instruments, like the Millennium Account, and the new purpose defined in Monterrey will help make this dream a reality. Thank you distinguished honorees. You will be the models that the younger generation will follow. Thank you friends and colleagues. Let us celebrate our anniversary and let us share a common dream: prosperous, peaceful and healthy American States. You are all invited to our diamond anniversary in 2017.

Meeting of RUTA Partners

Welcome to IICA and to the Seventh Meeting of RUTA Partners.

IICA is honored to host this meeting and to receive the distinguished leaders of institutions that provide cooperation and funding in support of agriculture and rural development in Latin America and the Caribbean.

IICA has been involved in the RUTA project, since its inception in 1980, for more than twenty years.

During the different stages of its implementation, IICA has provided support for the issues addressed by RUTA, and the actions it has taken to improve agriculture and promote rural development in Central America.

One of the principles on which my administration is based is the development of strategic partnerships. The RUTA project is an excellent example of what can be done when partners work together to make maximum use of increasingly scarce cooperation and development resources.

We have gathered here to hear about the results of the current phase of the project, and to discuss actions needed to bring it to a successful end in mid-2004. We will also discuss the necessary arrangements for evaluating the current stage, and the outlook for the project's continuing after 2004. To the extent our financial constraints permit, IICA will do what is necessary to continue participating in this joint effort.

The challenges being faced by the Central American countries now and in coming years demand specific, joint, coordinated and vigorous responses. On the one hand is the need to alleviate rural poverty. On the other is the issue of trade, and what must be done to ensure that agricultural negotiations will be equitable, and that markets, rather than displacing producers, will create opportunities for all.

I trust this meeting will be a great success and that you will feel at home for the next three days.

Thank you very much.

Regional Organic Symposium: A New Vision for Agriculture: Organic Production, the Healthy Alternative

Let me begin by saying how happy I am to be home in beautiful Barbados, and to have the opportunity to make a few remarks this morning to this distinguished gathering.

At IICA, we are in the process of transforming the Institute into a development organization, an organization that is flexible, efficient, decentralized, demand driven, results-driven and accountable to the Member States, that will be directly involved in executing projects that support rural development in its member countries in three key areas of action: sustainable agricultural development, food security and the promotion of prosperity in rural communities. In November 2002, Kevin Cleaver, Director of the World Bank's Rural Development Department, presented a courageous challenge to end the era of fragmentation of donor assistance to rural development and to forge partnerships for the sustainability of rural development and poverty reduction efforts. IICA has already responded positively to this challenge by developing programs of joint collaboration with the UNFAO and PAHO, uniting the strengths and complementarities of the three institutions. Information on the results of these joint actions will soon be available in the IICA publication "Working Together."

The presence here this morning of representatives of the European Union and United Nations donor and development agencies, the government, the private sector, and you, the farmers, is evidence that here in Barbados and the Caribbean, we are well on the way to

achieving the Millennium Development Goals by uniting to achieve sustainable development.

The theme of this symposium, "A New Vision of Agriculture," gives recognition to the agricultural sector as the logical focal point for investment leading to economic growth. It also highlights our understanding that this growth will occur only to the extent that the sector is modernized, its efficiency and productivity are increased, diversification is improved, and the multiplier effects generated by the links between agriculture and other sectors of the economy are strengthened at the national and regional levels.

Our conviction of the central role of agriculture in overall sustainable economic development is grounded in a confluence of events and commitments made within the last two years at the highest levels in international, hemispheric and regional fora. Significant among these have been the signing of the Bavaro Agreement in November 2001, where all of the ministers of agriculture of the hemisphere reaffirmed their commitment to transforming and re-positioning the agricultural sector and promoting sustainable rural development. Another was the announcement by the World Bank in November 2002 of plans to increase agricultural and rural lending by about US\$400 million over the next two years.

I must congratulate the organizers of this event for their focus on organic production as the healthy alternative. During a recent retreat,

* Bridgetown, Barbados, March 12

IICA's senior management agreed on three guiding stars for our work: "Peace, Prosperity and Health." Agricultural development is not about supporting marginal producers. Agriculture is a sector of strategic importance for social balance, food security and preservation of the environment.

Organic production has been gaining renewed importance in this respect precisely because it is based on respect for the relationships that exist in nature. Through the development of agricultural production systems that are based on an ecological, economic and social equilibrium, organic production fosters natural resource and environmental conservation, contributes to the health of farmers and consumers, and improves the quality of life in rural areas and society as a whole.

Interest in organic farming has been growing by leaps and bounds at the international, regional and local levels. At the international level, the demand for organic products is spiraling, particularly in Europe, the United States of America, and Canada. Within the Caribbean Region, the growing health consciousness of Caribbean people, coupled with the emergence of chronic lifestyle and nutrition-related diseases, are creating significant demand for organic food. I am told that in Barbados, we have over 20,000 diabetics and that over 50% of our womenfolk are obese.

Commercial organic farming is actively practiced in Jamaica, Belize, Guyana, Trinidad, Haiti, the French Territories and the OECS, and we

have here today several farmers who are not only already certified by international agencies, but who will form the basis for a regional network of organic producers and a regional secretariat to facilitate trade and business development.

The emphasis on linkages between agriculture and tourism and the promotion of health and wellness tourism in Barbados and the Caribbean have also prompted the hotel sector to invest in eco-tourism projects on organic agriculture and to offer naturally grown, organic foods on their menus. It is significant that this symposium is taking place in Barbados, where our local office has established an Agro-Tourism Linkages Centre and is actively developing and implementing projects with the organic growers, as well as with producers of herbal products for health and wellness and agro-heritage tourism. Our private sector stakeholders in the health, tourism and distributive sectors will share with us later today information on the opportunities for the trade of fresh and processed organic products.

This symposium comes at a time when fundamental questions have been raised regarding the role and future of the agricultural sector in Barbados and the Caribbean Region. Our Old World of trade preferences, concessional flows of financial resources, domestic protectionism and inward-looking, state-dominated, over-regulated economic activity is vanishing or already gone. These are difficult economic times. We face the sobering and frightening reality of pending war and must ask ourselves, "Who will feed us if the airplanes and ships stop coming?"

IICA recognizes that the most significant assets of the Caribbean countries are its people and cultural heritage, and that no development discourse or program can be complete or sustainable if it fails to take into account human concerns and environmental issues.

Caribbean people are known throughout the world for their social discipline, hard work, thrift, perseverance, ambition and honesty. These characteristics have, in large measure, been responsible for our successes both here and abroad, and must be harnessed, now more than ever, to ensure the survival of our islands and our peoples.

At the Conference on Small Island Developing States held here in Barbados in 1994, it was stated that "unless and until we in the Caribbean region begin to value our strengths, vision, determination, and capacity to set out and carry out the development agendas of our

states, we will continue to struggle in a world that seeks to reduce us all to a global common, with seemingly little access to the global good."

Given the task at hand, I challenge each and every one of you to share our vision for repositioning the agricultural sector and to take hold of the dreams of our forefathers and return this country and this region to its place of pride and industry.

The words of the Barbados National Anthem sung so lustily this morning, "These fields and hills beyond recall are now our very own," capture how we feel about our land... our patrimony. Let us today recommit ourselves, "Loyal sons and daughters all," to being "strict guardians of our heritage and firm craftsmen of our fate."

I thank you.

The Challenges for Agricultural Development in the Americas in the 21st Century

I am very pleased to be back in the twin-island Republic of Trinidad and Tobago and it is a pleasure to meet and greet family, friends and colleagues.

It has not been a year and three months since I took up my post as Director General of IICA, and I would like to take this opportunity to thank the Government and people of Trinidad and Tobago for their support in obtaining this position and for their continued support of our Institute.

The challenges facing agricultural development in the Americas as we begin the 21st Century must be interpreted and understood in the context of the problems and challenges facing our world today.

According to Mr. Owen Arthur, Prime Minister of Barbados, "the Old World of trade preferences, concessional flows of financial resources, domestic protectionism and inward-looking, state-dominated, over-regulated economic activity is vanishing or already gone."

In order for agriculture to help generate employment opportunities and make its full contribution to national development, the very concept of agriculture has to change. In the new scenario of the 21st century, it must be viewed for what it is: the bedrock of society and the cornerstone of the economy. We cannot develop if we import what we eat, drink and wear.

* Port of Spain, Trinidad and Tobago. 14 March

In a recent study in El Salvador, it was found that while national statistics suggested that agriculture contributes 8% to GDP, analysis of the agrifood chains and the backward and forward linkages between agricultural activity and the rest of the economy indicated a figure of 38%. It is my opinion that a similar analysis will yield similar results in the Caribbean.

Agriculture must be seen as contributing to two important aspects of national development, i.e., food security and social stability.

In the 21st century, agriculture will be influenced by seven major global factors, namely: globalization and trade liberalization on world markets; population increase and urbanization; biotechnology; information and communication technologies; consumer preferences; the environment; and, government policies.

Globalization and Liberalization of Trade on World Markets

The world is becoming more and more integrated as the process of globalization and trade liberalization accelerates. Following the Uruguay Round of negotiations and the establishment of the World Trade Organization (WTO), international trade is governed by new rules and regulations. These rules and regulations are improving market

access and opening new markets, drastically reducing and, in some cases, eliminating tariff barriers, and establishing new standards for trade in products that take social, health, and environmental considerations into account.

In spite of the emphasis on increased global trade and trade liberalization, non-trade issues such as poverty alleviation, food security, food safety and the environment are critically important for the sustainable development of the nations of the western hemisphere. The countries of Latin America and the Caribbean (LAC) will have to make their agricultural sectors more competitive in order to participate fully in this new global scenario.

Population Increase and Urbanization

Recent statistics show that by 2025 the world's population will have risen to eight billion. This numerical increase will be the main challenge faced by agriculture and world food supplies. Rapid economic growth in key regions of the planet will have a much greater impact, however. This economic growth will very quickly alter the world's eating habits and increase total food consumption. Much of the population increase is expected to take place in the cities of the developing world.

According to the International Food Policy Research Institute (IFPRI), an international research center affiliated to the CGIAR system:

By 2020, about 52% of the developing world's population will be living in urban areas, up from 38% in 1995. The rapid urbanization of the developing world and associated changes in

lifestyles will have significant effects on food preferences and hence on demand. As people move from rural to urban areas, they tend to consume more livestock products, fruits, vegetables and processed foods.

As the rural farm population ages, both migration to cities by young people in search of a better life and the demand for food are on the rise. Agricultural production and research systems will be challenged to keep abreast of changing dietary preferences in coming years and will have to utilize all the technologies, policies and management systems available to them to increase the productivity of the rural sector.

Biotechnology

Substantial development has taken place in biotechnology and genetic engineering in the last 20 years, offering new prospects for increased agricultural production. However, while biotechnology has the potential to produce crops and livestock that are more efficient, more productive and easier to produce, and use less agrochemicals, consumer acceptance of genetically modified foods will continue to be a challenge for the global application of the results of biotechnological research. According to recent statistics, the surface area under genetically modified crops worldwide was 40 million hectares in 1999. This figure is expected to reach 85 million hectares in 2003 (6% of the world's total arable land). The recent release of genetically modified rice called "golden rice", which is rich in vitamin A and could cure vitamin A deficiency in 124 million children worldwide, underscores the contribution that biotechnology could make in the future.

Information and Communication Technologies

Rapid changes in information and communication technologies pose new challenges but also offer new opportunities for the agricultural sector. They provide easy and immediate access to information on markets, trade opportunities, consumer preferences, and competitors around the world. They also facilitate advertising, promotion and the dissemination of information to current and potential clients and customers.

Together with increased globalization and market integration, the new technologies are influencing changes in both the demand and the supply of food. Institutions, individuals and enterprises in the hemisphere need to take advantage of the opportunities provided by new technology to increase the competitiveness and variety of their products and develop new market opportunities.

These advances are leading to the development of more knowledge-based economies; however, the challenge here is to ensure that information is adequately disseminated and utilized in the rural sector of the economy. The new technologies need to be utilized more to facilitate the provision of market information and technical services, and to bring new experiences and technology to rural enterprises.

Consumer Preferences

Improved education, communication, and higher incomes have resulted in greater awareness of the importance of adequate nutrition for good health and general well-being, and the demand for fresh fruits, vegetables, functional foods, processed foods, snack foods and organic

products has been increasing. In addition, food quality and safety concerns are of increasing importance in national and international markets. Satisfying consumer demand while ensuring the safety and reliability of foods is the challenge that agriculture must tackle.

The Environment

In the past, progress in agricultural development has often resulted in environmental degradation – polluted water supplies, degraded soils, loss of biodiversity and wildlife habitats, and the displacement of rural dwellers.

Over the next thirty to fifty years, world food requirements will more than double. The challenge for agriculture will be to meet the food needs of the vastly increased population on reduced acreages of farmland with water shortages, as well as a switch to food consumption based on more livestock products, fruits, vegetables and processed foods. This challenge must be met within the context of the guidelines for sustainable development contained in the Brundtland Commission Report (1987), and prioritized in Agenda 21, the Programme of Action for Sustainable Development adopted in Rio de Janeiro, in 1992.

Government Policies

The structural adjustment programs of the recent past have resulted in fewer budgetary resources being allocated to the ministries of agriculture of several countries in the hemisphere. However, the global scenario requires that the State play a key role in providing the regulatory framework for agriculture, a policy framework, and support services such as rural infrastructure, security of land tenure, and

training, research and extension, all of which are necessary for the development of a competitive agriculture. Traditional private-sector and non-governmental organizations are increasingly involved in the provision of technical services to the sector, but the role of government in building new strategic partnerships with the private sector, non-governmental organizations, and the institutions of civil society is a critical one.

Nevertheless, the rural sector has no hope of developing unless there is an increase in the flow of investment capital from both the public and private sectors into the rural economy. If progress is to be made in curbing rural poverty, the international financial community must consider the importance of social equilibrium -and not just profit- when investing in the rural economy.

We must therefore examine the potential in rural communities for rural services, crafts, agrotourism, forest products, transportation, food processing, marketing, input supplies and output-related services.

According to the IFPRI "the abundance and diversity of [Latin America and the Caribbean's] agricultural and natural resources give the region a comparative advantage for competing in world markets and generating broad based growth throughout the economy."

However, such growth will only be realized if we adopt a more relevant development model that facilitates increased investment in rural areas and ensures a more sustainable development of agriculture and greater prosperity in the rural economy. Such a model should include an institutional framework that promotes cooperation and closer ties between the State and civil society. It should be implemented within the framework of a market economy that seeks more extensive and

transparent actions. That, in turn, calls for public, private and international organizations to play a new role.

Past and even current development models have an anti-rural bias in which the recommended approach to modernizing the economy, combined with the spillover effect of the post-war period, promoted a development pattern that was based on industrialization and favored the growth of urban areas. The consequences of these models are many. They have resulted in a large, disproportionate allocation of public investment funds for urban centers and the concentration of the population in cities. Due to the resulting political importance of urban dwellers, more public investment is channeled into services for urban areas. This is accompanied by a greater inflow of private investment into urban areas as a result of the externalities created by public investments.

Thus, despite the economic reforms implemented in the mid-1980s and during the 1990s, the inequality between urban and rural areas continues to exist. The situation is aggravated by the limited inflow of resources and improvement in infrastructure in rural areas due to inappropriate public policies on investment, trade and taxes. The spillover effects of increased rural poverty are then seen in urban areas and a larger slice of the national budget is allocated to solve the growing problems in the cities. The vicious circle is completed by a rise in violence and growing social and political insecurity in the rural economy due to the urban-rural imbalances; and the continued competitive disadvantage of the rural sector, despite investments in areas with much potential.

Therefore, new development models are needed that facilitate a better rural-urban balance through the integral development of

both areas. More investment in rural areas is also required, so as to ensure social and political stability; promote the competitiveness of agriculture and rural economic activities; and, create rural agricultural and non-agricultural employment that allows rural dwellers to enjoy an acceptable standard of living. Others aspects that must be considered include productivity increases and an expansion in the food supply to meet the growing need for food and market requirements.

Furthermore, appropriate policies and strategies must be adopted that will: increase investments in the rural sector and thereby facilitate the profitable and sustainable use of natural resources; support investments in infrastructure and services that will make both agriculture and non-agricultural activities in rural areas competitive, profitable and sustainable; support investment for the development of human capital in the rural sector (rural education), to increase the skills of the population and improve their standard of living; and, investment in the development of rural enterprises and institutions that strengthens rural-urban linkages and the generation of value-added activities and higher incomes.

In light of the challenges facing agriculture and rural life, a new institutional framework to transform rural isolation into a network of global prosperity will be needed. The best mechanism for implementing this strategy would be a hemispheric platform that facilitates dialogue, strengthens and expands alliances with strategic partners, and increases the flow of investment into agriculture and the rural economy.

The aim of this hemispheric platform would be to permit the stakeholders in agriculture to take advantage of hemispheric and global

knowledge and, at the same time, sensitize hemispheric and global players to the needs at the local and national levels.

I believe that establishing a hemispheric platform to link these different levels of action would provide an opportunity to link the community of agriculture and rural life with the global society of knowledge; develop new styles of cooperation among international organizations and countries; and, mobilize national and international resources for investing in agriculture and rural communities.

I invite you, my friends and colleagues, as fellow members of the Community of Agriculture and Rural Life of the Americas, to share your thoughts with us regarding two important issues. Firstly, your vision of agriculture and rural life for 2015, one of the goals of our Heads of State and Government set forth in the declaration adopted at the Summit of the Americas held in Quebec City. And, secondly, your ideas for a new institutional framework to transform rural isolation into a network of global prosperity, in terms of the three aspects which I outlined above: the development of linkages with the global society of knowledge; the development of new styles of cooperation among international organizations and countries; and, the mobilization and increase in the flow of national and international investment into agriculture and rural communities.

The need to take this broad view of rural development leads us to the inescapable conclusion that if our Institute is to take its rightful place in promoting agricultural development and improving the welfare of the rural poor as mandated in the Plan of Action adopted at the aforementioned Summit, we must begin to view our role in a broader

context. For this reason, we believe that the Institute must not only continue to focus on agricultural development but must also encompass the broader issues of non-farm aspects of the rural sector.

To accomplish this, we believe that IICA should be expanded from a technical cooperation institute for agriculture into an agency for rural development.

The Institute plans to use a wide range of instruments to promote prosperity in the rural sector. These will enable it to develop a strategic relationship with the Member States, to better identify their needs in the rural sector; establish strategic partnerships with the international financial community; promote trade-related capacity-building; foster agribusiness development and forge closer linkages with the private sector; further develop education and training for the modernization of the rural economy; promote horizontal technical cooperation among the countries; spur sustainable community development; and encourage greater protection of the environment.

In order to effectively deliver the services mentioned above, the Institute must reorganize its internal operations to create a modern organization with a business approach.

A number of decisions have already been taken to achieve this goal. A new structure has been implemented, based on an integrated management framework. A results-based, performance management system has been developed. The mechanisms for corporate governance and management have been strengthened and bureaucracy reduced. Financial prudence and accountability is being promoted. And the Institute is also promoting fundamental principles and values, including flexibility, accountability, commitment, efficiency, tolerance, a spirit of service, and a commitment to hemispheric solidarity and social equity.

I would like to thank you all for honoring this event with your presence. Your cooperation and positive attitude toward IICA motivates us even more to enhance IICA's relationship with the Americas, based on real partnerships.

Thank you.

Henry A. Wallace
Inter-American Series of Scientific Conferences

Welcome to the Inter-American Institute for Cooperation on Agriculture; welcome to the House of Agriculture of the Americas. We are honored by your presence at this, the Second Scientific Conference held in commemoration of Dr. Henry A. Wallace.

This distinguished visionary from the United States played a decisive role in the creation and development not only of CATIE, but also of IICA, and his influence can be seen in many of the initiatives it has undertaken over the years, which have contributed much to the development of agriculture internationally.

His enduring concern for the well-being of humanity, as well as his fruitful ideas, always based on the application of science to the improvement of agriculture and the conservation of natural resources, have had an impact not only in the Americas, but also on other continents, bringing prosperity to many countries.

We continue to share his ideals today, while recognizing the need to make our agricultural sectors more competitive and to modernize and update the policies and institutions that affect the development of agriculture and rural life in the Americas. Yes, we share Mr. Wallace's ideals. However, we are facing a new paradigm which raises further concerns and forces us to rethink our priorities.

It was in January of this year, in which IICA is celebrating its 60th anniversary, that I took over as its ninth Director General. My first task was to reposition IICA to meet the challenges of the 21st century, and to develop a new vision focused on promoting sustainable agricultural development, food security and prosperity in the rural communities of the Americas.

This vision recognizes that, today, the development of the agricultural and rural sectors of a country cannot be viewed simply as an effort to help marginalized poor farmers. Rather, it must be viewed as the development of a sector that is strategically important because of its contribution to national social stability, food security and the preservation of the environment for present and future generations.

We must find solutions that will enable our countries not only to increase agricultural and agroindustrial production, but also to reduce rural and urban poverty significantly and conserve natural resources effectively, as our legacy to the future.

It is not enough to say that the technology needed to feed a population of 10 billion inhabitants already exists. Although we can be proud of this accomplishment, we also know that the capacity to produce such technology and incorporate it into agricultural production processes is not evenly distributed.

* Institute Headquarters, March 19

In the Americas, there are some 12,000 researchers and 30,000 extension agents and technical assistance specialists. The aggregate investment in these two services totals some US\$2 billion per year, which is equivalent, on average, to only 1.5% of the total value of agricultural production. Of this percentage, only one third is earmarked for research.

However, according to experts in the field, we must double the amount of resources currently invested in research. This means earmarking an additional US\$800 million per year if the figure is to be equivalent to 1% of AGDP¹. Some of the countries that have already reached or surpassed this figure are Brazil, Argentina, Chile, Mexico and Costa Rica. However, most are below this figure, especially in the Caribbean and Central America.

Also, we must invest considerable time and effort in strengthening research institutions and extension and technical assistance programs, by encouraging not only the public and academic sectors, but also the private sector, to participate, and by making improvements in the organizations and educational level of our farmers and rural entrepreneurs.

This complex, but useful, task is indispensable. We understand that the mere existence of technology does not ensure that it will be transferred and incorporated into agriculture. The direction of efforts aimed at making agriculture more efficient has change radically. We will only be successful if we take into account the

requirements of the market and the specific needs of our production sectors.

Today, we can safely say that our population has increased steadily, and that in Latin America and the Caribbean there are, on average, 1.47 hectares of agricultural land per inhabitant, a figure considerably below the 2.72 hectares reported in 1961.

Today, for the first time, there is a scarcity of agricultural lands, except in the agricultural frontiers of the Cerrados and Savannas that surround the Amazon Basin. Not only agricultural lands are scarce. Water is also in short supply. In some regions, this has already led to the disappearance of crops that once were profitable, posing new challenges for our scientists and researchers.

Today, thanks to more efficient production, we export more meat and milk, vegetable oils, fruits and vegetables. However, much of this additional production has been possible only because huge areas of agricultural land have been opened up, especially in tropical countries. Frequently, the savings realized through the use of new technologies are equivalent to the additional land used. The technological effort has been insufficient.

Despite this situation, which forces us to rethink our agricultural development strategies, there is cause for optimism because, in the case of many crops, productivity levels are higher. The new technological revolution, being led by biotechnology and genetic engineering, will

1. AGDP - Agricultural Gross Domestic Product

surely give rise to new ways for us to eat better, conserve our forests and view our collective future with greater optimism.

At IICA, we are providing the countries with technical cooperation aimed at helping them to strengthen their policies and modernize their institutions. We are also engaged in important reciprocal cooperation programs in different fields of research. We are not alone in this task, and want to congratulate CATIE for this brilliant initiative, which brings together renowned scientists and specialist who are working on topics required to consolidate the new paradigm of agriculture.

It pleases us to know that topics will be addressed during this important event that deal with environmental conservation, efforts to reduce rural poverty and progress in relatively new areas such as environmental services. We are certain that the results of this meeting will contribute to the identification of solutions to the problems affecting agriculture and slowing the improvement of living conditions in the countryside.

Thank you very much, and my best wishes for the success of this event.

*Promoting the Agricultural and Rural Information Services of the Americas**

Welcome to the House of Agriculture of the Americas.

It pleases me to see so many people from so many countries and organizations here today, including representatives of the Health Sciences Information Center for Latin America and the Caribbean (BIREME), the International Center for Tropical Agriculture (CIAT), FAO and IICA, as host and organizer of this event; the Coordinator of the Agriculture Network Information Center (AgNIC) of the United States; and representatives of the University of Costa Rica and the Ministry of Agriculture of Costa Rica.

Over its 60 years of institutional life, IICA has accumulated a wealth of experience and provided leadership in the field of agricultural documentary information. By way of example, I would like to mention the following accomplishments:

- *The Scientific Exchange Service (SIC)*, founded in 1949 with support from the Rockefeller foundation.
- *The Inter-American Program of Popular Information (1956)*, which developed information gathering methods for the areas of agriculture, food and health.

- *The Inter-American Agricultural Library Development Program (1967)*
- *The Agricultural Information System of the Central American Isthmus (PIADIC)*, created in 1975 and sponsored by USAID and ROCAP.
- *The Inter-American Agricultural Documentation, Information and Communication Center (CIDIA)*, founded in 1946 and restructured in 1970 as IICA-CIDIA, with support from the International Development Research Centre of Canada.
- *The Inter-American Agricultural Information System (AGRINTER)*, founded in 1972, whose center for liaison and technical support was IICA-CIDIA, and which linked up to the global system AGRIS.

At the present time, we are working on these and other information systems:

- AGROINFO Americas (with Texas A&M University); AGRI-2000; and Infoagro.NET, designed in 2001, whose information and data on trade, sustainable rural development, agricultural

* Second Strategy Workshop of Coordinators of the Agricultural Information and Documentation System of the Americas (SIDAIC), Institute Headquarters, March 20-21



health and technology serve thousands of user in the Americas and worldwide.

- SIDALC, which has been under development in the Americas since 1999 with support from the Kellogg Foundation and under the technical leadership of IICA.

With this in mind, we are working to create a culture of excellence that will ensure relevant and high-quality information and knowledge, and leadership and technical support in contributing to the prosperity of our nations.

In the early days of my administration, we distributed the document *"Repositioning IICA to Meet the Challenges of the 21st century,"* a copy of which has been included in the materials you have before you. In this document, we underscore the importance of information for development, and instruct our Offices in the countries to serve as centers for the provision of information, training and technical and management support.

We also call attention to the need to strengthen the hemispheric information networks, such as SIDALC, and to foster the creation of teams of information management specialists.

This meeting constitutes a further example of the cooperation IICA has provided over the years in this field. We are here to state that the Institute will continue to promote, support and strengthen the SIDALC network.

Furthermore, in this effort, IICA will apply its strategy of developing national capabilities to collect, organize and offer accessible and pertinent information to all possible levels of users.

We understand that there are efforts already under way that must not be interrupted. We also know that it is very important to join forces with other organizations so that we can learn together and support one another. This explains the presence of our special guests.

I am certain you will achieve the objectives set out for this workshop, and that the results produced will contribute to the consolidation and improvement of SIDALC, and ensure its continuation.

Our best wishes for the success of this event, and please make yourselves at home.

Thank you.

Thirteenth Inter-American Meeting, at the Ministerial Level, on Health and Agriculture (RIMSA 13)

I am indeed pleased to be back in Washington and to have the opportunity to participate in the RIMSA 13. The year 2002 was a historic one for our Institute. We celebrated our 60th anniversary, and in January I took office as IICA's ninth Director General. My first task was to reposition IICA in the context of the twenty-first century and to formulate a new vision to promote sustainable agricultural development, food security and prosperity in the rural sector of the Americas. This vision recognizes that, in any nation today, development of the agricultural and rural sectors cannot be seen only as an effort to help poor, marginal farmers; rather, it must be seen as the development of a sector that is strategically important because of its contribution to national social stability, food security and the preservation of the environment for present and future generations. I believe that a new frontier of challenge and opportunity is upon us as we enter the third year of the 21st Century.

It is a new frontier of opportunity, characterized by global participation and partnerships, efficient communication and coordination of actions, and a conviction of the need for a coalition of efforts to tackle the most pressing problems of our times. It must be clear to all of you that one of our greatest challenges is to solve the problems of health, poverty, hunger and marginalization facing the 800 million souls who continue to live in poverty surrounded by a sea of global, material prosperity. Some 177 million of these souls are in our hemisphere and about 90 million live in rural areas. We must help them enjoy some of the freedoms that we enjoy.

As I said in my inaugural address on January 15, 2002, our Institute must rise to the challenge and embrace a future fashioned by a resolve to achieve global cooperation and respect for diversity; a future that reminds us of the limitless possibilities that exist when we challenge ourselves to be our best; a future where we begin to concentrate our efforts not so much on our rights, but on our responsibilities; a future where problems become possibilities and where we can rise above the narrow confines of individual and personal agendas to embrace the broader concerns of humanity; a future where we remember that intelligence is not enough, where we remember that education is not enough, where we remember that wealth is not enough and where we remember that, in the final analysis, what matters is character, commitment, responsibility, discipline and respect for humanity.

The contribution of the agricultural and rural sectors to overall economic output is often underestimated. A classic case of this was seen recently in El Salvador where official statistics informed that agricultural contribution to GDP was 12%, while an analysis of all the backward and forward linkages to other sectors of the economy indicated a contribution of 38%. The situation is probably similar in many other countries.

To better tackle the challenges of the new economy, IICA's mission today is to support Member States throughout the hemisphere in their pursuit of progress and prosperity, through the modernization of the rural sector, the promotion of food security, and the development of an

¹ Washington, D.C., April 24-25



agricultural sector that is competitive, technologically prepared, environmentally managed, and socially equitable.

With the countries of the Americas on the verge of establishing the Free Trade Area of the Americas (FTAA) and the new mandates given to the Institute at the Third Summit of the Americas and by the OAS General Assembly, IICA's importance as an institution that promotes hemispheric integration of the agricultural sector takes on new significance.

In this new context, the Institute must focus its technical cooperation program on providing the assistance required by its Member States. We have initiated a process of internal consolidation and a projection of an external vision through strategic partnerships with sister institutions of the inter-American system, the private sector and global partners in order to provide the support the rural sector of the Americas requires and deserves.

One of IICA's primary objectives is to become a true network for hemispheric cooperation, a network that facilitates access to information, technology and best practices for all countries of the Americas in support of hemispheric agricultural trade integration.

Our Medium Term Plan for 2002-2006 calls on IICA to concentrate its efforts on promoting sustainable agricultural development, food security and prosperity in the rural communities of the Americas. We

are fully aware, however, that achieving these objectives requires a multidisciplinary, multi-sectoral, holistic approach where education, health, the environment and the organization and governance of rural communities are critically important.

The importance of the agri-food sector, agri-business and trade cannot be overstated. In order to upgrade competitiveness and promote the development of a global agri-business environment, we must support the adoption of new technology and business principles that are sustainable and equitable.

Improved education, better communications and higher incomes have resulted in a greater awareness of the importance of adequate nutrition for good health and general well being. The demand for fresh fruits, vegetables, food high in fibre, processed foods, snack food and organic products has increased. In addition, food quality and food safety concerns are of growing importance in national and international food markets. The challenge for agriculture in the future will not only be to satisfy consumer demand but also to ensure the safety and reliability of food supplies.

The negotiations under way to create the Free Trade Area of the Americas (FTAA), and negotiations on bilateral and regional free trade agreements have all included agriculture on their agendas, taking into account both the dimension of agri-food trade and social and environmental considerations associated with agriculture and the agri-food trade.

It is paramount that the ministries of agriculture of Latin America and the Caribbean reinforce their institutional capacity for international negotiations, not only to be able to act as legitimate spokespersons for this sector at the negotiation tables, but also to enhance their capacity for analysis, consensus-building, proposal formulation and coordination, both with official bodies responsible for foreign trade and with representatives of production sectors.

One of the most critical issues in agricultural trade negotiations today is the question of food safety, as consumers demand food that is safe and nutritious. In recent years, we have seen increased attention being paid to food safety issues in all the countries of the hemisphere. This has brought plant and animal pest disease control methods under close scrutiny.

In 2001, the United Nations Food and Agriculture Organization (FAO) reported that 30% of all pesticides sold in developing countries do not comply with international standards. Also, many countries have reorganized and restructured their food inspection facilities. The Canadian experience in establishing the Canadian Food and Inspection Agency (CFIA) is a model that has been examined throughout the Americas and has been adopted in some countries, such as Belize.

Only by modernizing food safety systems will it be possible to obtain more precise results when conducting risk assessments and when making policy decisions to control diseases and pests that affect production and threaten human health.

In the areas of agricultural health and food safety, institutions are increasingly involved in evaluating and facilitating a greater demand for

imports without jeopardizing, but rather improving, domestic agricultural health and national health standards.

The last decade has shown that the traditional approach to agricultural health is inadequate for meeting today's challenges. "Mad cow" disease in the European Union, dioxin in Belgium, and foot-and-mouth disease in the United Kingdom are pathological problems that began with the introduction of adulterated food and feed, which had serious consequences in later stages of the agri-food chain.

Current circumstances demand that health and safety institutions operate with a broader international vision and a clearer mandate. The traditional organization of agricultural health in the ministries of agriculture must be restructured to include closer alliances and greater integration with other ministries such as health, trade and foreign relations, among others.

The private sector must join forces with the public sector, and their complementary roles and specific responsibilities must be defined. Programs are needed that extend beyond the farm level to encompass the entire agri-food chain.

To be effective, health and safety institutions must include effective surveillance and response mechanisms to provide necessary warnings of adverse effects and harmful components introduced in animal and crop production which might not otherwise become evident until the end of the chain.

In recent years, there has been a significant reduction in the size and budget of the ministries of agriculture in a number of countries in the



hemisphere, largely due to structural adjustment programs. For agriculture to be competitive in a globalized world, the state must play a decisive role in defining policies and providing the regulatory framework for agriculture and its support services, such as research, extension and agricultural health.

Governments must establish the terms for a new relationship between health and agriculture as strategic partners in our quest to fulfil, in an integral and inter-sectoral manner, the many food safety and agricultural health responsibilities related to production, trade and the environment.

In this regard, the signing of this agreement with PAHO to ensure the incorporation of health in our rural development initiatives recognizes that rural development without rural health is virtually impossible.

IICA and PAHO share common goals and have collaborated for many years on different activities related to public health, animal health and food safety. Both play critical and complementary roles in the areas of health and agricultural development that extend beyond those traditional fields of collaboration, and that are essential for prosperity in rural communities. Moreover, both organizations have a network of offices in their Member States that facilitates joint action.

Two of the objectives of our agreement are to contribute to increasing and making better use of food production, and to improving health and rural life in our Member States. As partners, our institutions face important challenges in this regard. At the political level, the two organizations serve as the secretariats of their respective ministerial meetings. In addition, at the Third Summit of the Americas (held in

Canada in April 2001), they were both called upon to support implementation of the Summit's Plan of Action.

IICA and PAHO fully support the commitments assumed by the Heads of State and Government in the Declaration of the Third Summit of the Americas:

- To further efforts to reach international development goals, especially the reduction by 50% by the year 2015 of the proportion of people living in extreme poverty; and
- To promote programs for the improvement of agriculture, rural life and agro business as an essential contribution to poverty reduction and integral development.

Accordingly, PAHO and IICA reaffirm the importance of pooling their capabilities in support of efforts to further development in their Member States, and their commitment to:

- the principle of Pan Americanism, which calls for cooperating with the countries of the Americas so that, in working together, they can promote their development;
- equitable development and the achievement of the objectives of health for all in the hemisphere, and the reduction of differences in health indicators among and within countries; and
- the promotion of prosperity in rural communities, including reducing inequalities among their inhabitants and, above all, increasing human freedoms.

IICA and PAHO will strengthen their joint technical cooperation actions, with a view to helping the countries of the Americas bring about health and prosperity in their rural communities. They will do this by supporting the efforts of the ministries of agriculture and health, with the active participation of rural communities.

The Plan of Action sets the parameters for the cooperation, which will focus on the following areas:

Animal Health, Public Health: Zoonoses and Food Safety

IICA and PAHO will exchange information, ideas and experiences in their respective areas of specialization. They will also carry out actions in these areas, the results of which will have a favorable impact on the agricultural sector, nutrition and public health in rural communities and, consequently, on national economies.

These actions include:

- Strengthening the management skills of those who occupy executive or supervisory positions in national agricultural health and veterinary public health and food safety programs, with a view to increasing their efficiency and effectiveness.
- Fostering more active participation by the members of agrifood chains in agricultural health processes, in order to improve the safety of products and, as a result, public health and market access.

- Increasing the use of information in agricultural epidemiological surveillance systems.

The joint actions taken within the framework of the Summits process provides for the exchange of information and the participation of both organizations in preparatory activities and in the ministerial meetings on health and agriculture and rural life. This includes the exchange of information on progress made in, and possible joint actions for, complying with the mandates of the Summits, including efforts to increase the participation of civil society, especially the private sector.

Actions Undertaken this Far in the Context of the Agreement:

- Joint FAO/PAHO/IICA work plan for strengthening the agricultural health and food safety (AHFS) system in Honduras.
- Development of a logical framework for the establishment of a national food safety system in The Bahamas.
- Assistance to the ministries of health and agriculture of Suriname for revising AHFS legislation.
- Support for the exercises to simulate sanitary and phytosanitary emergencies in Trinidad and Tobago.
- Cooperation with the National Agrifood Health, Safety and Quality Service (SENASICA) of Mexico, related to the implementation of the Food Safety Program.
- IICA and PAHO/Pan American Institute for Food Protection and Zoonoses (INPAZZ) participation in the program to support native communities and in the Healthy Municipal Districts Program in Argentina.

- Joint efforts to assist the National Agricultural Health and Food Safety Service (SENASAG) of Bolivia to consolidate the food safety program.
- Joint efforts to develop a bill for the National Health System of Ecuador;

Mechanisms for Planning, Programming, Monitoring and Evaluation, and Performance Management

This involves the exchange of experiences and information on these topics for developing the IICA evaluation system and support instruments for managing organizational performance.

Exchange of Information and Experiences

This refers to exchanges of information, joint events using the infrastructure of both organizations, and collaboration in providing logistic support services for technical meetings and activities.

The Partnership Challenge for Agribusiness Development

Changes in the environment, such as the loss of biodiversity and the contamination of food and water sources, also have a bearing on health and safety programs. The World Health Organization (WHO) reports

that 10% of all preventable diseases are due to the deterioration of the environment, and that the main causes of such diseases include the lack of sanitary measures, contamination of water sources, and unsafe foods.

Food safety for agribusiness development is of crucial importance. The challenges facing countries and the opportunities that can be tapped for food production and trade are directly related to the establishment of policies pertaining to technological innovation in food safety. The need to be competitive affects not only public health and food quality, but also production, tourism, market access, food safety, the environment, and so on. For developing countries, trade in fresh vegetables, fruits, meat and seafood accounts for nearly half of all agricultural and food exports. This level of trade depends on the existence of clear policies and the application of food safety norms consistent with international agreements and standards of the WTO, Codex Alimentarius and the OIE.

Establishing a favourable environment and building capacity for agribusiness development, especially for small- and medium-scale producers, is a field of action where IICA intends to increase its current efforts by strengthening its relations with national organizations and by promoting foreign trade.

IICA has already acquired significant experience through programs to “create exporters” and to strengthen agribusiness networks. This will be enhanced with actions to upgrade agribusiness management capabilities, and to foster strategic alliances among private actors to boost their competitiveness in global markets.

Our proposal to establish a trade capacity building facility in Miami is currently being discussed by our stakeholders.

Strong leadership in food safety and the development of environmentally friendly technologies are necessary to bring together all the actors in the agri-food chain. Their actions must be strengthened by clear policies and specific norms that are consistent with international agreements and standards.

Agricultural health and food safety institutions must adjust to allow for greater integration and information sharing among all players. Strategic partnerships with the public and private sectors are crucial for developing sustainable agriculture and agribusiness, be it in the Americas or anywhere else in the world.

In summary, allow me to highlight three conclusions:

- Food safety is critical for the prosperity of rural communities and for the health of all nations.
- Institutional arrangements for the management of food safety institutions must be revised and modernized.
- Investment in agricultural research and technology will continue to be critical for agricultural and rural development in the Americas.

These actions are undertaken as our world faces unprecedented challenges. Perhaps every generation sees their future in this way. As PAHO celebrates 100 years, the velocity of change, its magnitude,

scope, and the real possibilities to fundamentally alter the human condition have, in fact, created special circumstances for us today. This is especially true in agriculture and health. Advances in science and technology are blurring traditional fields of study and demanding that people and institutions collaborate in new ways. The American hemisphere is steward to over 40% of the world's fresh water resources and produces most of the world's food. It is witness to the possibilities of globalization and trade to enrich human lives. But more needs to be done. More can be done. More must be done. And to do it we have to learn how to work together: better, smarter, more effectively.

"We need vigorous science-based public sector institutions, clear-cut health and trade policies, precise standards, technical audit and inspection mechanisms, quarantine controls, and disease and pest eradication measures to address these issues." (USAID)

The Institute's 2002-2006 Medium Term Plan has clearly defined agricultural health and food safety as a priority area of work for which we have identified five strategic institutional actions, viz:

- Foster application of the sanitary and phytosanitary agreements of the WTO and FTAA, as well as the sanitary and phytosanitary standards of international reference organizations (CODEX, OIE and IPPC); provide information to the countries on the development of said agreements and standards, as well as on



important events; strengthen national and regional capacity in critical disciplines such as equivalence, regionalization, risk assessment, traceability, and harmonization.

- Enhance agricultural health and food safety systems in order to facilitate market access, interaction with the private sector, technical capacity and human and financial resources; support the countries' efforts to articulate and develop specific technical assistance regarding regulatory mechanisms, science-based technical capacity and institutional sustainability.
- Strengthen the Member States' ability to respond in a timely manner to emergencies and emerging issues in agricultural health and food safety; assist countries with early recognition of emerging issues that put at risk animal, plant or human health, or that offer new opportunities for enhancing the level of competitiveness or access to new markets; facilitate the provision of limited resources for tackling unforeseen emergencies.
- Support food safety strategies and policies in the Member States for developing standards and regulations, leadership capacity and technical capability throughout the entire agri-food chain; adopt initiatives that encompass the agri-food chain, strengthen leadership and political determination, encourage shared responsibility from the producer to the consumer, enhance food

safety standards and norms, improve the ability to assess and manage risk, and promote education and information outreach.

- Capture timely and relevant information on the multiple roles of agricultural health and food safety; generate value-added information for different levels of decision makers and professionals in the public and private sectors; provide timely information and support to build alliances in areas of potential impact including production, competitiveness, trade, tourism, bio-security, public health, food security and the environment.

Partnership is listed as the last of the eight Millennium Development Goals, in clear recognition of the fact that only by working together can we achieve prosperity for all. All international agencies agree that collaboration, coordination and joint action is the way to go. We are making progress, albeit slowly. I believe that we can accelerate the pace of institutional reform necessary for us to work more effectively together. Yes, I do believe each of us must change how our institutions work so that we can work together. I also believe in the fierce urgency of now. Poverty and hunger threaten our children and social stability every day. I am convinced that through greater hemispheric solidarity we can surpass the Millennium Development Goals in all of our nations of Latin America and the Caribbean.

Thank you.

World Bank Consultation on Science and Technology and the Reduction of Rural Poverty

It is an honor for IICA to lend its support to and host this World Bank consultation on a topic of strategic importance for Latin America and the Caribbean: the impact of science and technology in reducing urban and rural poverty.

We are very pleased to see that the audience today comprises farmers, operators of agroindustries, scholars, leaders of small-farmer organizations and representatives of nongovernmental organizations and research centers that are promoting the integral development of agriculture, improving production efficiency and competitiveness in agriculture, developing technologies for the management and conservation of natural resources, and seeking alternatives for improving living conditions in rural areas.

This meeting is of great importance for the region. It will provide the countries with an opportunity to offer their expert and joint opinion, as part of a consultation the World Bank is conducting worldwide, and to analyze and present the region's needs. It will be possible to draw attention to those aspects of agriculture and the rural milieu in LAC which make it necessary to think of adopting differentiated strategies,

to ensure that any actions taken in the fields of science and technology will be translated into true rural prosperity.

Our Institute shares the concerns of the Bank, and fully supports its decision to conduct this consultation, because though to a great extent our priorities are focused on similar strategic objectives. We are both working to make agriculture more competitive, through the implementation of technical cooperation actions aimed at promoting food security, sustainable rural development and rural prosperity.

Rural poverty in LAC concerns us deeply, and we are convinced that science and technology, within an expanded vision that goes beyond mere agricultural production, constitute a strategic variable in the search for effective solutions. We underscore, however, that it is necessary to look for such solutions within rural areas themselves. Given the difficult economic and social conditions that prevail in most of the countries of the region, the answer can no longer be rural-urban migration.

As Dr. Martinez Graff, a Mexican scholar, once said, it is more important today to ensure that a rural family can earn a decent living

on two or three hectares of land, than to encourage their migration to the capital, to swell the ranks of the unemployed/underemployed, who must defend an area of two or three square meters where they sell cigarettes or yesterday's newspaper.

Another concern is the fact that the plots of land worked by many of our rural poor are located on hillsides, where soil degradation and the negative effects of climatic change are both serious problems. In LAC, there are some 250 million hectares of degraded agricultural lands, almost one third of the amount available, and each year we add some 8 million hectares to this alarming figure. For many families living and working on these lands, the solution to their poverty is not in agriculture, but rather in finding alternative opportunities for development in the rural milieu.

Today, fortunately, we are seeing successful attempts at modernizing and diversifying production and creating alternative sources of employment in the rural milieu. In some cases, these efforts link tourism and an interest in natural resources. In others, they focus on the development of small rural agroindustries, with a view to adding value to thousands

of traditional businesses with the potential to compete economically; value which is not accurately reflected in national accounts.

Also, the migration of millions of small farmers to the city in the past implied an important loss of biodiversity, in the form of plant and animal species selected over hundreds of years which will no longer be available for agricultural development in the future. We must strengthen strategies aimed at, and institutions devoted to, conserving biodiversity; that held by our farmers and that found in the forests and jungles of the Americas.

Given all these, and other equally important, situations I do not have time to mention now, those of us working to promote competitive agriculture and sustainable rural development must adopt a new vision of the role of science and technology in poverty reduction programs. To do this, we must readjust our policy frameworks and strengthen our research capabilities.

In concluding, allow me to wish you success in your deliberations, and to put our facilities at your disposal as a contribution to same.

Thank you very much.

*Meeting of the Special Advisory Commission on Management Issues (SACMI)**

I am indeed pleased to welcome all of you to the second meeting of the Special Advisory Commission on Management Issues of this administration.

The first meeting, held last year, made an important contribution to the work of the Institute and was critical to the success we achieved during the Executive Committee Meeting in 2002.

Today, I would like to welcome all those who were with us last year: Mrs. Liliana Mónica Solá of Argentina; Mr. Paul Murphy, Anne MacKenzie, and Maria Lo of Canada; Mr. Daniel Cento and Marianne McElroy of the United States of America; and Mrs. Lourdes Trinidad Cruz of Mexico. I would also like to take the opportunity to give a special welcome to those who are joining the Commission for the first time: Mr. Ivan Wedekin of Brazil, Mr. Roberto Villeda Toledo of Honduras, Ms. Ana Cristina Padgett of Honduras, Ms. Suzanne Hemen of the United States of America, Mr. Nadica McIntyre of Grenada, Mr. Oscar Meza of Paraguay, Mr. Francisco Ibarra of Paraguay, and Ms. Mana Dolores Parada of Venezuela.

Let me remind you that the Commission is an advisory body whose importance lies in the opinions, ideas and advice that it provides to the administration, especially as these relate to technical and financial issues.

Let me begin by saying that on the November 26, 2001 I accepted the decision of the Member States of this Institute to be its Director

General for the 2002-2006 period, with a clear commitment to make IICA an instrument of change for promoting modernization in the agricultural and rural sectors of the Americas. Seventeen months later, I am still deeply committed to that goal.

My report for 2002 entitled "IICA: The Repositioning and Modernization of an Institution," which has been distributed, is a summary of the actions taken to comply with the fifteen commitments I made to the Member States last year. Time will not permit me to give details of the report but I wish to indicate what I consider to be the 12 most important achievements of the administration in 2002.

1. Preparation of Medium Term Plan for 2002-2006

A medium-term plan for 2002-2006 was approved to chart the course for the future of the Institute in its efforts to support sustainable agricultural development, foster food security and promote prosperity in the rural communities of the Americas.

2. Celebration of 60 years of institutional life

The Institute celebrated 60 years of institutional life in cooperation with its Member States and aims to build a future based on these sixty years of experience.

* Institute Headquarters, May 28

3. A reduction in bureaucracy

Some of the accomplishments in this area are: elimination of the regional centers, reduction of management positions at Headquarters from 36 to 24, reduction of Headquarters costs by 10%, consolidation of units into a flatter, more efficient management framework, and allocation of US\$1.2 million in savings from these actions to support technical cooperation activities in the Member States in 2002 and 2003.

4. A new relationship with the Member States based on participation, accountability and transparency

IICA's work programs in each Member State was redefined in a participatory process with the ministries of agriculture and rural development, the private sector, academia and civil society, resulting in the development of National Technical Cooperation Agendas. National reports were prepared on the actions taken to implement the agendas, then presented to national authorities at national seminars. Subsequently, suggestions and inputs were received for refining and adjusting same. This approach of participation, transparency and accountability is the hallmark of this administration.

5. A new information and communication policy

A new information and communication policy was developed to facilitate dialogue with the community of agriculture and the Member States and keep them informed of the activities and results of the Institute's work. The repositioning documents, the 100 Days Report, the Director General's Report for 2002, IICA News and IICA Connection our electronic bulletin-- are examples of this new policy.

6. A new human resources policy

The role and responsibilities of management positions at the Institute were redefined, especially those of the Institute's Representatives in the Member States. The rules governing contracts of persons over 65 years of age were enforced and a new personnel evaluation policy was implemented to align individual performance with institutional goals. Awards for excellence have been established and a policy for enhanced language training is being implemented. An outstanding human resources management professional has been recruited as Director of Human Resources and she is working with a team to review the Institute's human resources policies. A preliminary report will be presented during this meeting.

7. Promoting prudent financial management and a results-based institution

A policy to ensure that the Institute's financial resources are properly managed has been implemented and includes the following: i) a new unit for budget-preparation and control was established; ii) the internal audit function of the Institute was strengthened with the appointment of a new internal auditor and a deputy auditor; iii) the Deputy Director General of the Institute, an outstanding banker, was assigned responsibility for finance and administration of the Institute; iv) new guidelines for budget preparation and financial accountability were distributed to all managers; and v) the Directorate for Performance Management and Evaluation was established to ensure that proposed actions are implemented in a cost-effective manner in order to convert the Institute into a results-based institution.

8. Follow-up on the mandates stemming from the Summit of the Americas

A Directorate for Follow-Up of the Summit of the Americas Process was established to provide appropriate follow-up to the mandates stemming from the Third Summit of the Americas, held in Quebec, those issued by the OAS General Assembly and those contained in the Bavaro Declaration. To date, the unit has:

- Published and disseminated the policy guidelines for agriculture and rural life in the hemisphere (Ministerial Declaration of Bavaro).
- Provided for the exchange of information and fostered joint efforts with development banks, agencies of the OAS system and other international organizations that will become institutional partners of the Summits process, within the framework of the Joint Summit Working Group.
- Provided for the effective monitoring of the mandates of the Third Summit as they pertain to agriculture and rural life; prepared progress reports.
- Facilitated fulfillment of IICA's responsibilities as a partner agency of the Summit of the Americas process.
- Monitored progress made to design proposals for implementing the Ministerial Declaration of Bavaro.
- Maintained periodic dialogue with the National Summit Coordinators that make up the Summit Implementation Review Group (SIRG).
- Made considerable progress in organizing the Second Ministerial Meeting (Panama, November 2003)
- Promoted a monitoring mechanism that links, at the national level, the ministerial delegate for agriculture, the IICA Representative in the country and the National Summit Coordinator in the Ministry of Foreign Affairs.

9. Greater cooperation with IICA's governing bodies

The administration reactivated the Special Advisory Commission on Management Issues (SACMI) and developed an online information system to enable ongoing consultation with its members. It also facilitated the work of the 2002 Executive Committee meeting and is arranging the necessary support for the meetings scheduled for 2003 (Executive Committee, the IABA and the Ministerial Meeting, the latter two to take place in November 2003 in Panama).

In 2002, the work of the Advisory Commission : i) facilitated the adoption of six Resolutions pending approval from the Eleventh Regular Meeting of the IABA; ii) facilitated dialogue on the financial situation of IICA and approval of the 2003 Program Budget; and iii) validated and made it possible to improve the quality and political viability of innovative projects presented by the Director General on agricultural trade, agribusiness and food safety and on agricultural education, which were subsequently approved at the Twenty-second Regular Meeting of the Executive Committee.

The Executive Committee has assumed the new responsibilities delegated to it by the IABA, as can be noted in the decisions adopted at its Twenty-second Regular Meeting. This will enable the IABA to devote more attention to substantive issues affecting agriculture and rural life in the hemisphere at the forthcoming Second Ministerial Meeting (Panama, November 2003).

10. A new program on trade, agribusiness and food safety in the hemisphere

The administration promoted and obtained Executive Committee approval for a new program on trade, agribusiness and food safety in

the hemisphere. This program seeks to strengthen trade capacities, develop negotiating skills, provide information and support for compliance with the World Trade Organization mandates, and provide technical and related support toward the creation of the Free Trade Area of the Americas. Regional trade and agribusiness specialists were appointed to support national programs in these thematic areas. An office to support this new program is being established in Miami to provide appropriate linkage between developed and developing economies in trade-related matters.

11. Continued support for agricultural health, sustainable rural development, technology and innovation, information and communication, education and training

The administration continued its support for these traditional areas of work within the context of the 2002-2006 Medium Term Plan. New emphasis was given to each of those areas with the appointment of regional specialists to support national actions. The importance of the new information and communication technologies is emphasized and they are being incorporated into the new programs. In the area of education and training, new emphasis is being placed on distance learning and new communication tools are being developed.

12. Strengthening strategic partnerships

The administration considers the strengthening of strategic partnerships a fundamental objective in its efforts to promote sustainable agricultural development, food security and prosperity in the rural communities of the Americas. Consequently, a new Directorate for Strategic Partnerships was established in Washington, D.C. A new agreement

was signed with the Pan American Health Organization (PAHO) and with the United Nations Food and Agriculture Organization (FAO). In addition, the Institute renewed its commitment to work with the Inter-Agency Group for Rural Development and has established linkages with other international, regional and national agencies throughout the hemisphere. The results of these relationships are presented in our report entitled "Working Together," which has been distributed.

The 2003 meeting of the SACMI

In this meeting I need your support, your suggestions and your advice on i) the restructuring of the financial base of the Institute; ii) the proposed program budget for 2004 and 2005; iii) measures to collect outstanding quotas of the Member States; iv) measures to strengthen the technical capacity of the Institute in the areas of trade, agribusiness and agricultural health; and v) proposals for modernizing the human resources policy and the technological capacity of the Institute.

The Cabinet of the Institute will participate in this meeting and a report of the meeting will be prepared by the meeting Secretariat, with your cooperation. Once again I wish to thank you for being here and hope that together we can find the way forward to make IICA an institution of excellence for our Member States.

Conclusion

Our work will underpin the goal of this administration to convert the Institute into a modern organization with a development agenda that serves the needs of the Member States for an agriculture that is modern, efficient and competitive for today and for the twenty-first century.

I thank you.

*Mexico Action Summit. Agriculture and Rural Development in Policy Integration**

If the 1980s are referred to as the *lost decade* for Latin America, the 1990s could *well be* called the *decade of frustration*, as a result of many broken promises, which took the form of adjustments on top of adjustments, reforms followed by more reforms and unrewarded sacrifices. Governments and multilateral organizations, countless actors from civil society, as well as investors, entrepreneurs and communities, worked very hard to find new approaches to development. Huge amounts of resources were expended and institutional, political and economic paradigms that had existed for years were broken, resulting in profound political and economic changes. Macroeconomic reforms, adjustments in the rules governing the operation of markets, and numerous changes in the rules of the game left their mark on the region, making it one characterized by transition and change.

Despite these major changes, however, the results are tenuous and development indicators reflect little or, in some cases, no progress. Democratic institutions, currently being consolidated in the Americas, are facing a major crisis.

It is in this context that public rural development policies have evolved in recent years. The transition from models intended to make agriculture more productive (the so-called "green revolution"), to models focusing on integrated rural development, and then to the production oriented and social compensation development plans typical of the social assistance networks called for in strategies in recent years, has led to institutional change and instability, increasing social pressures.

In recent years, new efforts have also been undertaken to improve agriculture and rural life in the countries of the Americas. The Summit of Heads of State and Government, held in Quebec City in April 2001, and the Ministerial Meeting on Agriculture and Rural Life, held in Bavaro, Dominican Republic, in November the same year, were two historic milestones in that process.

At the meeting in Quebec, the Heads of State and Government launched a process that marked a turning point in the efforts to reposition agriculture and rural life in the Americas. Our political leaders recognized the strategic importance of agriculture in our societies, stating that it is a way of life for millions of rural families, plays a crucial role in the creation of prosperity, and is a strategic sector of our socioeconomic system. They also agreed on the urgent need to develop the enormous potential in the region to create prosperity in the countryside, in a manner compatible with sustainable development.

Mindful of the fact that we stand at a crossroads, the ministers of agriculture also issued the Declaration of Bavaro for the Improvement of Agriculture and Rural Life in the Americas, recognizing that agriculture must position itself within the new economy, an economy based on information and knowledge, globalization and integration and interconnected networks.

It was in this context that we assumed the challenge and responsibility of leading the Institute in early 2001. We stand at a crossroads that

* Mexico City, Mexico, June 2-3

demands from us a capacity for change, innovation and renewal if we are to meet the challenges posed by the rapid pace of change today and the new mandates issued by our political leaders, in an increasingly globalized international context.

It is our intention that IICA be at the forefront of hemispheric solidarity, working to chart the course needed to ensure that all those involved in agriculture continue to contribute to food security, social progress and the stability of our Member States. To this end, we have made it our mission to support the efforts of the Member States to achieve progress and prosperity in the hemisphere through the modernization of the rural sector, the promotion of food security, and the development of an agricultural sector that is competitive, technologically prepared, environmentally managed and socially equitable for the peoples of the Americas.

Reducing rural poverty and food insecurity, which must be the goal of our efforts to promote agricultural and rural development, calls for new approaches and ideas, and renewed and updated proposals that reflect the conditions now affecting agriculture and the rural milieu. I would now like to turn to some of the major challenges we face as we pursue those new approaches and updated proposals, especially vis-à-vis the integration of policies, the topic we are here to discuss.

Integration of the economic and political dimensions of development. The societies of Latin America are faced with a political problem with regard to their development models, as manifested by the serious weaknesses

of the institutional arrangements that reproduce structures that lead to the excessive concentration of economic and political power. There are great social fissures and enormous territorial gaps in the region. Segmentation and discrimination exist alongside unacceptable levels of privilege and economic inefficiency. Therefore, one of the first major challenges we face is the need for greater integration of the political and economic dimensions of development, to offset the economic and production-oriented emphasis many have tried, unsuccessfully, to incorporate into rural development strategies and policies.

Redefining the meaning of the word "rural." The changes that have taken place in rural areas of the Americas over the last two decades make it necessary to redefine the meaning of the word "rural." To do this, we must integrate time and space; in other words, integrate the physical and geographic context with the historical dimension. A living and changing structure of social groups settled in ecosystems, which are the source of an economic structure, institutions founded on tradition and culture, social networks, trade and flows of factors of production, goods and services in differentiated market structures, and a power structure on which the process of social formation is based.

Environmental considerations in relations between rich and poor countries. The environment is one of the most politically and economically important aspects of the new agricultural and rural context, especially given the process of globalization. The need for sustainability criteria as a global dimension gives rise to a new type of relationship between the conflicting interests of regions and countries in the world. In this

context, international cooperation, in the form of multilateral environmental agreements such as the conventions on biodiversity, climate change and desertification, help articulate new institutional arrangements that provide new opportunities for defending the rights and interests of the rural territories of the Americas.

From the mitigation and management of environmental externalities to markets of environmental services. The wealth of natural resources found in rural territories should steer us toward models that recognize the value of the services these ecosystems and their resources provide for society at the local, regional, national and global levels. Environmental services play an economic role that has been ignored and excluded from the production functions of rural territories. Although they are only now being recognized, these services are surely destined to play a more important role in the not-too-distant future. Payment for the service of water production, resulting from the conservation and sustainable management of natural resources, ecotourism and rural tourism, are examples of these new activities, which are already yielding interesting results in many initiatives throughout the hemisphere.

From an agricultural economy to a territorial economy. The rural economy is treated in most public policies in the region as a sectoral, production-related problem. Many people continue to think that the words "rural" and "agricultural" are synonyms and insist on applying agricultural strategies to address the problems of poverty and rural development. There is limited understanding of the complexity of the economy of rural territories and of the articulated and interdependent complementary structures that exist in that economy. The structure of the rural economy is based on the use of the factors or different types of capital available in the territory. Natural, human

and social capital is the foundation of the economy in most of the rural territories of the hemisphere.

From participation to cooperation. The most recent reforms in the area of rural development have focused on participation, as a mechanism for democratizing decision-making and enhancing the capabilities of communities and entrepreneurs in production models. However, a more comprehensive and territorial vision attaches greater importance to local cooperation, as a broader type of public-private relationship. Cooperation involves a reform of the dynamics, initiatives and management of development. Cooperation relies on the autonomy of the communities and their institutions, organizations and entrepreneurs. Cooperation is based on the recognition of the social groups that exist in the territory and leads to self-management and self-institution, as an expression of the collective will to establish clear rules of the game, commitments and their own forms of organization and, in doing so, have a better chance of achieving true empowerment. One result is a new relationship between the State and civil society, leading to new contractual arrangements and new roles for the State and private agents.

From decentralization to territorial planning. The forces behind the transformation of the institutional framework, the rules of the game and organizations are beginning to recognize the heterogeneity and diversity of rural territories. Over the last two decades, extraordinary progress has been made in terms of deconcentration and decentralization, in the search for greater efficiency in the management of territories. However, these processes have not managed to overcome the barriers imposed by the fragmentation of rural spaces. The emphasis on decentralization has led to deconcentrated administration, but not necessarily to a change in the

political responsibilities of the territories, in keeping with the structural adjustments under way in the hemisphere.

These transformations in the competencies, functions and responsibilities of the different territorial levels entail much more than the management of diversity and differentiation, which are key aspects of decentralization. These transformations are related to a shift of competencies from the national level to the local and regional levels within the national space, as well as a shift from the national to regional, supranational and global levels. It is a new territorial order that involves change in decision-making on key aspects and dimensions of development and of the power of communities and institutions. This means that institutional change necessarily involves a new territorial arrangement, as a political transformation, rather than as a mere administrative and legal adjustment.

From sectoral rural development policies to integrated public policies in the rural territory. The concept of rural development policy, even in the comprehensive concept of integrated rural development programs, has focused on sectoral processes, each with its own dynamics and carried out parallel to sectoral production development. This has led to a vision of rural development that is extremely compensatory in nature, based on the idea that true agricultural economic development, of a commercial and entrepreneurial nature, will always fail to help impoverished communities that require compensatory actions or assistance. Rural development finally has led to the definition of policies that deal with the most vulnerable groups, those that are marginalized and discriminated against. Development strategies have become heavily biased toward programs for the poor and have left governments and communities frustrated.

If it is to be effective in reducing poverty and food insecurity, a new approach to agricultural and rural development must integrate the economic production model of all those involved in local and regional development. This new approach must include integrated policies, given the predominance of the sector-based policies. The rural territory is the natural scenario for such a tie-in, and its own communities, entrepreneurs and authorities are the ideal agents for managing such coordination. A wide range of public policies affects territories and rural development.

A rural development policy that does not interact, or is not coordinated, with macro or sectoral policies is inefficient and costly. Rural development strategies that focus on small farmers and agrarian issues are very limited in scope and reinforce unsustainable models of agricultural solutions that condemn the poor population to reproducing the condition of marginality, poverty and food insecurity in which they live.

In short, a high level of interaction is required between public policies at the national and sectoral levels, and development strategies at the local and regional levels. The aim must be to get away from the concept of rural development as social assistance, paving the way for rural development as a true strategy for territorial development, capable of integrating macro and sectoral policies in territorial spaces.

I have mentioned some the important challenges we face in our search for new approaches and renewed proposals for rural and agricultural development that will increase the effectiveness of efforts to reduce rural poverty and food security.

The way in which we tackle these challenges has crucial implications for the definition of rural and agricultural development strategies and

policies, for the institutional framework on which the implementation of those policies and strategies is based, and for the definition of the kinds of investments required for these new proposals.

In the area of policies, it is essential that we get away from a sectoral vision, adopting instead a territorial approach that will lead to coordinated sectoral policies, consistent sectoral and macroeconomic policies, and integrated policies at the national, regional and local levels. The concept of rural territories is fundamental in this context.

It is also imperative that we abandon the concept of rural development as social assistance and pave the way for rural development as a true strategy for territorial development, capable of integrating macro and sectoral policies in territorial spaces.

As regards the institutional framework, there is an urgent need to develop structures that will facilitate dialogue, cooperation between public and private actors at the national, regional and local levels, as well as a greater flow of investment toward agriculture and the rural milieu. This new institutional framework must make it possible to link agricultural and rural communities with the global society of knowledge, develop new types of cooperation between countries and international

organizations, and mobilize national and international resources to invest in agriculture and the rural territories/communities.

Lastly, *as regards investments,* a better rural-urban balance must be promoted, through the comprehensive development of both cities and the countryside. Greater investment in rural areas must be guaranteed, since it is vital to ensure social and political stability, make agriculture and rural economic activities more competitive, and create rural, agricultural and non-agricultural employment to provide an acceptable standard of living in rural areas. Investment in the rural sector must also help facilitate the sustainable and profitable use of natural resources; develop the infrastructure and services that will make rural agricultural and non-agricultural activities more competitive, profitable and sustainable; develop the human and social capital in the rural sector to improve the skills of the population and the capacity for cooperation; and, develop rural enterprises and institutions that can strengthen the linkages between the countryside and the cities, and the generation of valued added activities and higher incomes.

Thank all of you for attending this event. Your cooperation and positive attitude toward IICA motivates us even more to enhance IICA's relationship with the Americas, based on real partnerships.



*Signing of the Agreement between the Caribbean Regional Negotiating Machinery (CRNM) and IICA**

It is both an honour and a pleasure to participate in this ceremony to sign this cooperation agreement between the Caribbean Regional Negotiating Machinery and the Inter-American Institute for Cooperation on Agriculture.

On behalf of IICA, I wish to add my voice to the many who are offering congratulations to the Caribbean Community on this historic occasion.

It is also important to point out that IICA initiated its support to the development of agriculture in the Caribbean approximately 30 years ago.

Today we see trade capacity building in agriculture as a fundamental requirement for the participation of small economies in the new global trade scenario. Within the last decade, but particularly since the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), our programmes have been mainly centred on trade-related issues. We recognized at an early stage that, because the majority of the member countries had benefited historically from special and preferential markets in Europe and North America for their principal agricultural commodities, trade liberalisation, as indicated by the WTO and subsequent trade agreements, would have serious consequences on the agricultural sectors and hence the economies of our countries.

The signing of this agreement today represents another phase in our recognition of the importance of trade issues in the development of a "new" agriculture for the Caribbean. In this regard, the ability to participate meaningfully and to influence the direction and results of ongoing and future negotiations becomes paramount. Similarly, it is equally crucial to be able to forecast the effect of these results on the scope and pace of agricultural developments and on the basis of this, develop the necessary strategies, policies and programmes.

However, this capability cannot be obtained without appropriate analysis. IICA can act as a mechanism for hemispheric cooperation in this regard. For this reason, IICA has decided to join forces with the CRNM to increase the capacity of the Caribbean to do the necessary analysis and determine the options.

I am confident that through this agreement we can substantially improve our respective contributions to the repositioning of agriculture, the enhancement of rural life, the alleviation of poverty and hunger, enhanced social equity and sustainable economic development in the countries of the Caribbean.

Thank you.

* Jamaica, July 2

Ministerial Conference on Agricultural Science and Technology

First of all, I would like to thank Ann Veneman Secretary of Agriculture of the United States Of America, for the invitation to attend this very important meeting and for the opportunity to participate on this panel to discuss alliances with international organizations, specifically with regard to the transfer of agricultural technology.

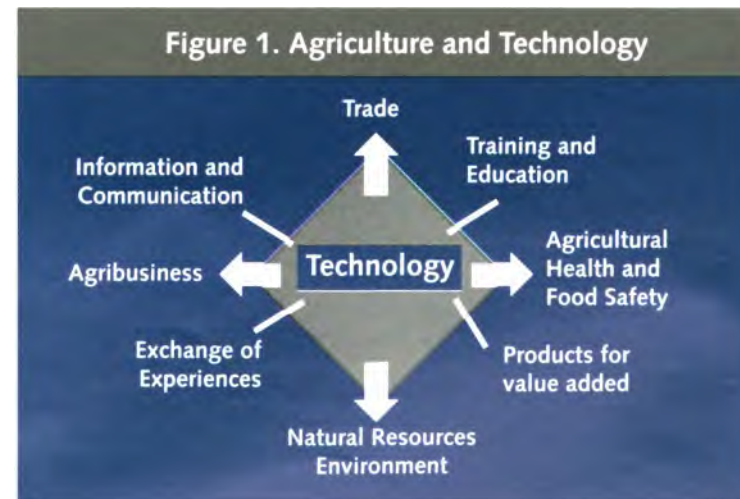
The new agriculture

The new information technology, computer based, science based, marketing systems, increased consumer demand for food that is safe and nutritious, new rules of global trade and the demands of a growing world population that will reach 8 billion by 2025 demands new approaches to agriculture and food production in the 21st century.

Market opening led to a significant expansion of trade, which grew from 18% of world economic production in 1990 to 26% in 2000. Globalization has helped to move investment capital, technology and business ideas around the world. A slowdown of the globalization process could constrain world economic growth in both developed and developing economies.

The new agriculture will depend more and more on the capacity of competitive agribusinesses to market products that meet animal and plant health, food safety and environmental regulations.

The key to the success of this new paradigm is technology. This concept is summarized in Figure 1, which indicates that the new agriculture will be led by global trade based on agribusinesses which produce value added products that conform to agricultural health and food safety standards while respecting the environment.



New Technology and Innovation

Within this framework, we are convinced that agriculture from a perspective that is broader than production represents a strategic sector in the search for economic growth and rural welfare. We emphasize, however, that now most of the solutions to rural poverty must be sought in the rural milieu itself and not through the traditional route of migration to large cities, given the difficult economic and social situation of many countries of the region.

This is certainly the case for the agricultural sector in the Americas, although not all countries have the same level of technological development. On average, almost 40% of all increases in food production in the Americas during the last four decades have been due to the use of modern technology mainly improved seed varieties, and agronomic information. In most countries, substantial increases in agricultural productivity have been achieved for basic foods, including corn, wheat, potatoes, rice, beans, and sunflower and soybean in the Southern Cone.

The adoption of new technology has yielded significant economic benefits, as measured by the rates of return on investments in agricultural research. This has shown that investment in agricultural research is good business.

The disparity in productivity for certain commodities in different countries is, in part, a consequence of their unequal development in

research and extension capacities. Countries with greater relative development, such as the United States, Canada, Brazil, Mexico and Argentina, invest between 1.5% and 2.5% of their agricultural gross product in agricultural research. For the majority of the least developed countries of the region, however, this average only reaches 0.4%. However, countries including Chile, Colombia, Uruguay and Costa Rica have been increasingly investing in improved technology for agriculture.

Research in biotechnology is a critical component to increasing crop yields and agricultural productivity. However, the reality is that developing countries are not investing in biotechnological research, which is one more cause for the widening gap between developed and developing countries.

Despite the efforts of the agricultural research centres, and other foundations, most of the biotechnological information is in the hands of the private sector, which may explain why the greatest advances in biotechnology relate to rice, maize, wheat and cotton. Yet the majority of the population in the south survives on sorghum, millet, yams, cassava, pigeon peas and other pulses.

If I may, I would like to highlight here that one of IICA's institutional priorities is indeed to support our Member States in their efforts to improve their technological situation so that they may better compete in the agribusiness market and, therefore, participate more actively in international trade.

To do so, IICA acts as a hemispheric platform to strengthen national agricultural research systems, foster the exchange of technological information between countries, and promote greater cohesion between regional mechanisms for research cooperation policy.

We hope these actions will enhance technological development in agriculture throughout the hemisphere, in search of greater competitiveness and environmentally friendly technological development. This is the path we must take to achieve social progress for all the people of the Americas.

Trade liberalization is a two-way street in which producers experience increased demand for their products and enhanced export opportunities, but must also compete against imports in their domestic markets. For many agricultural producers in the Americas, poorly developed markets limit their ability to develop agribusiness; in some rural areas there simply are none.

Establishing a favourable environment and building capacity for agribusiness development, especially for small and medium-scale producers, is a field of action where IICA intends to increase its current efforts by strengthening its relations with national organizations and by promoting foreign trade.

IICA has already acquired significant experience through programs to "create exporters" and to strengthen agribusiness networks. This will be enhanced with actions to upgrade agribusiness management capabilities, and to foster strategic alliances among private actors to boost their competitiveness in global markets.

The "Inter American Program for the Promotion of Agricultural Trade, Agribusiness and Food Safety" and the "Export Platforms" are two

programs whose objectives are to promote and develop export capabilities so as to facilitate access to international markets, diversity and increase the number of exporters, and increase the value of agri-food exports.

Strong leadership in food safety and the development of environmentally friendly technologies are necessary to bring together all the actors in the agri-food chain; their actions must be strengthened by clear policies and specific norms that are consistent with international agreements and standards.

Agricultural health and food safety institutions must adjust to allow for greater integration and information sharing among all players. Strategic partnerships with the public and private sectors are crucial for developing sustainable agriculture and agribusiness, be it in the Americas or anywhere else in the world.

Final Comments

Regarding financing, we believe the region must take the necessary steps to increase investment in science and technology, which is a prerequisite for increased agriculture's competitiveness in the future. This will demand that we demonstrate the potential benefits and profitability of such investments, and the modernization of policy frameworks so as to encourage greater participation by the private sector in research and in the commercial development of new technologies, without neglecting the role of the public sector.

The support for new forms of research funding will be crucial, and IICA will therefore continue to support efforts such as FONTAGRO.



This fund currently finances 21 regional research projects, all of which are of fundamental strategic importance for improving production efficiency in agriculture. IICA and the IDB work with the countries in this effort, placing greater emphasis now on disseminating research findings and on quantifying the benefits for participating countries.

IICA will also continue to support the efforts of FORAGRO, which is an effective mechanism for discussing regional research priorities and for fostering greater political awareness of the importance of science and technology for agriculture in the region. We will also work with the countries to strengthen the Regional Cooperative Research Programs (Procis), as a way of diminishing technological imbalances between the countries and to connect the region with the world. In addition, we will continue to promote the development of closer ties with the world's centers of advanced research, and seek to work closer with the international research system to develop a renewed research agenda that takes new regional priorities into account. We will continue to support CATIE in Central America and CARDI in the Caribbean as subregional technological centers.

Only by working together with the public and private sectors, promoting the dialogue and adopting strategies for sharing knowledge and technology we will be able to increase the agricultural productivity and profitability for the benefit of the world's poor. I am convinced that by joining forces and sharing technological innovation and information we can indeed reach the goal of reducing poverty to which we are all committed.

To achieve the millennium development goals, nurture the free enterprise system through a rules-based trade framework, and create a healthy demand for agricultural goods and services, poverty must evolve into prosperity.

Only effective strong national research systems will ensure access to, and wise adaptation of, existing technological flows. The global community must embrace a firm commitment to accelerate access by isolated countries to the benefits gained through the new science and technology. Both national governments and international donors must increase significantly their investments in agricultural R&D, especially on many of the so-called orphan crops and fragile environments that provide income and food to the poor of the rural and urban communities of the Americas.

In summary, the most serious challenge for the Americas today is poverty and inequality of income and opportunity in most countries. In spite of progress in democratization, improvements in per capita income, increased life expectancy and increased access to clean water, 177 million or 39% of the population of Latin America and the Caribbean still live in poverty. The poorest 20% of the population receiving only 4.5% of the national income according to the 2000-2001 Report of the World Bank. More than half of those who live in poverty live in rural areas.

This poverty also expresses itself in high unemployment, violent crime, and increasing anti-social and illegal activity in the production and trafficking in illicit drugs. It is clear that persistent poverty can be a serious threat to national social stability and the process of democratic governance.

I believe that sustainable growth of food and agribusiness enterprises and the rural sector in general holds the most important promise for alleviating rural poverty in our countries.

Thank you very much.

Twenty-Third Regular Meeting of the Executive Committee

Inaugural Session

Let me begin by extending to you a warm welcome to IICA Headquarters and to Costa Rica on the occasion of the Twenty-third Regular Meeting of the Executive Committee of the Institute.

Last year, at the end of the Twenty-second Regular Meeting, I noted that "now that we have received the Committee's blessings for a number of our plans for the future we can proceed to put the necessary structures in place to achieve our goals." Today, I wish to report that our Institute has made considerable progress in consolidating a number of initiatives designed to make IICA a modern organization that responds to the needs of the Member States.

The achievements for 2002 are presented in the 2002 Annual Report and in a special report of the Director General for 2002 entitled "The Repositioning and Modernization of an Institution," which has been distributed. Time will not permit me to detail all that we have done but I would like to take the opportunity to mention ten actions that we have carried out in our efforts to modernize the Institute which we believe will make us more effective.

1. A reduction in bureaucracy

The elimination of the regional centers, the reduction of management positions at Headquarters from 36 to 24, the reduction of Headquarters costs by 10%, the consolidation of units into a flatter,

more efficient management framework, and the allocation of US\$1.2 million of savings from these actions to support technical cooperation activities in the Member States in 2002 and 2003 have been accomplished.

2. A new relationship with the Member States based on participation, accountability and transparency

The Institute's program of work in each Member State was redefined in a participatory process with the ministries of agriculture and rural development, the private sector, academia and civil society, resulting in the development of National Technical Cooperation Agendas. National reports were prepared based on the implementation of the agendas. These national reports were presented to national authorities in a national seminar and suggestions and inputs were received for refining and adjusting the national agendas. This approach of participation, transparency and accountability is the hallmark of this administration.

3. A new information and communication policy

A new information and communication policy was developed to facilitate dialogue with the community of agriculture and the Member States and keeps them informed of the activities and results of the

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Institute's work. The repositioning documents, the 100 Days Report, the Director General's Report for 2002, IICA News and IICA Connection, our electronic bulletin, are examples of this new policy.

4. New human resources policy

The role and responsibilities of the Institute's management positions were redefined, especially that of the IICA Representatives in the Member States. The rules governing the contracts of persons over 65 years of age and a new policy of personnel evaluation that aligns individual performance with institutional goals have been implemented. Awards for excellence have been established and a policy for enhanced language training is being implemented. An outstanding professional in human resources management has been recruited as Director of Human Resources and she is working with a team to review the Institute's human resources policies. A preliminary report will be presented at this meeting.

5. Promoting prudent financial management and a results-based institution

A policy to ensure that the Institute's financial resources are properly managed has been implemented, which includes the following: i) a new unit was established for budget preparation and control; ii) the

internal audit function of the Institute was strengthened with the appointment of a new internal auditor and a deputy auditor; iii) our Deputy Director General, an outstanding banker, was assigned responsibility for the Institute's finance and administration; iv) new guidelines for budget preparation and financial accountability were distributed to all managers; and v) the Directorate for Performance Management and Evaluation was established to ensure that proposed actions are implemented in a cost-effective manner so as to convert the Institute into a results-based institution.

6. Follow-up on the mandates of the Summit of the Americas

A Directorate for Follow-Up of the Summit of the Americas Process was established in order to provide appropriate follow up to the mandates of the Third (Quebec City), the General Assembly of the Organization of American States (OAS) and the Ministerial Declaration of Bavaro. This unit promotes the exchange of information and joint efforts with development banks, agencies of the OAS system and other international organizations that are partner institutions of the Summit process, within the framework of the Joint Working Group. It also facilitates effective monitoring of the mandates of the Third Summit as they pertain to agriculture and rural life and has made considerable progress in organizing the Second Ministerial Meeting, which is scheduled to take place in Panama this November.

7. Promoting greater cooperation with the governing bodies

The Administration reactivated the Special Advisory Commission on Management Issues (SACMI) and developed an online information system to facilitate ongoing consultation with its members.

The work of the Advisory Commission in 2002: i) facilitated the adoption of six resolutions pending approval from the Eleventh Regular Meeting of the Inter-American Board of Agriculture (IABA); ii) facilitated dialogue on the financial situation of IICA and approval of the 2003 Program Budget; and iii) validated and made it possible to improve the quality and political viability of innovative projects presented by the Director General on agricultural trade, agribusiness and food safety and on agricultural education, which were subsequently approved at the Twenty-second Regular Meeting of the Executive Committee.

8. Promoting a new program on trade, agribusiness and food safety in the hemisphere

The Administration promoted and obtained Executive Committee approval for a new program on trade, agribusiness and food safety in the hemisphere. This program seeks to strengthen trade capacities, develop negotiating skills, provide information and support for compliance with World Trade Organization mandates; it will also provide technical and related support toward the creation of the Free Trade Area of the Americas. Regional trade and agribusiness specialists were appointed to support national programs in these

thematic areas. An office to support this new program is being established in Miami to provide appropriate linkage between developed and developing economies in trade-related matters.

9. Continued support for agricultural health, sustainable rural development, technology and innovation, information and communication, and training and education

The Administration continued its support for these traditional areas of work within the context of the 2002-2006 Medium Term Plan. New emphasis was given to each of those areas with the appointment of regional specialists to support national actions. The importance of new information and communication technologies is emphasized and they are incorporated into the new programs. In the area of education and training, emphasis is being placed on distance learning and new communication tools are being developed. In agricultural health, an assessment was carried out with a view to strengthening this important area of work.

10. Strengthening strategic partnerships

The Administration considers the strengthening of strategic partnerships a fundamental objective in its efforts to promote sustainable agricultural development, food security and prosperity in the rural communities of the Americas. Consequently, a new Directorate for Strategic Partnerships was established in Washington, D.C.. A new agreement was signed with the Pan American Health

Organization (PAHO) and with the United Nations Food and Agriculture Organization (FAO). In addition, the Institute renewed its commitment to work with the Inter-Agency Group for Rural Development and has established linkages with other international, regional and national agencies throughout the hemisphere. The results of these relationships are presented in our report entitled "Working Together," which has been distributed.

The new IICA

All the above was carried out to ensure that we are well positioned to comply with the mandates of the OAS General Assembly and the Third Summit of the Americas, where the Institute was asked to play a new role in supporting efforts to improve agriculture and rural life in the Americas. The aim was also to ensure that we respond to the Ministerial Declaration of Bavaro (2001) in which the ministers of agriculture pledged to fulfill the mandates of the Third Summit of the Americas.

With respect to the Third Summit, our Institute is responding to the specific mandates included under the following main headings of the Plan of Action: i) facilitating integration and hemispheric cooperation; ii) facilitating competitiveness and global trade; iii) promoting sustainable rural development and rural prosperity; iv) promoting agricultural health and food safety; and v) reducing the knowledge gap and developing human capital.

Details of the mandates and of the actions taken at the hemispheric, regional and national levels will be presented in November at the Ministerial and IABA meetings.

These actions, these initiatives represent a new approach by our Institute to fulfill its mandates as a partner institution in the Summit of the Americas process.

We believe that these efforts reflect the new IICA: an IICA that is committed to assisting the Member States in modernizing the rural sector through concrete actions that can reduce poverty and improve food security of our people. We are aware, however, that the prosperity of the rural sector is not going to be achieved by focusing only on the technical aspects of agricultural production. It will require including agribusiness development, value-added agroindustry, agro-tourism and agroforestry, trade (both domestic and international), and environmental issues on our agenda. We are therefore moving expeditiously at the national level to work with the community of agriculture, the ministries, the private sector, the academic sector and civil society to develop our national agendas so that our efforts can have a lasting impact on agriculture and rural life in our hemisphere.

The assessment of the Agricultural Health Program has provided us with results that will allow us to make a further adjustment in our internal mechanism for program management and allow us to increase our support to a program area that is of strategic importance for agricultural health and food safety in the hemisphere.

IICA is committed to supporting the international development goals set out in the United Nations Millennium Declaration and believes that these goals constitute a platform for social progress, social stability and cooperation in our hemisphere. We intend to do our part to help reduce poverty in the hemisphere by 50% by 2015. But the institutional modernization process to which we are all committed is not sustainable unless we strengthen the financial base of the Institute.

The international staff of the Institute continues to give their best on a remuneration package and a salary scale approved in 1993. As an integral part of our process to strengthen human resource management at this Institute and in order for us to remain an international organization that can attract and retain the best qualified specialists in the field of agriculture so that we may efficiently and effectively fulfill our mandate, the Institute wishes to introduce, over the next three years, changes in its human resources policies and programs, particularly in its classification and compensation structure. To ensure an effective and timely decision mechanism to support this change process, we would like to have the support of the Executive Committee for these changes.

We are fully aware that some of our Member States face severe financial difficulties in their national economies, but the reality is that it is simply not possible to achieve the goals of the Institute in the current financial environment. In 2002, we collected US\$21,860,981, or 80% of the assessed quotas and US\$4,410,153, which is 35% of quota arrearages.

The sum of US\$11.45 million, or 50% of outstanding quotas, is owed by three members of this Executive Committee.

This Committee is therefore being asked to make some important decisions to strengthen the financial base of the Institute in order to enable it to continue to provide technical cooperation services to the Member States.

If nothing is done, we will have to review the services we provide to the Member States or reconsider the organizational structure of the Institute.

The Executive Committee therefore has an important responsibility. It is simply not possible to continue as we are today. Otherwise, history will not forgive us for failing to build a first rate inter-American agency destined to contribute significantly to the modernization of agriculture in the Americas.

Thank you.

Twenty-Third Regular Meeting of the Executive Committee

Closing Remarks

We have now reached the close of the Twenty-third Regular Meeting of the Executive Committee, a meeting that holds particular significance because it has taken place during the year in which our Institute will be holding the Second Ministerial Meeting and the Twelfth Regular Meeting of the Inter-American Board of Agriculture (IABA) in Panama in November.

I have been informed that today we celebrate the birth of the Liberator Simon Bolivar: what a historic moment to meet as a hemispheric body to rededicate ourselves to hemispheric integration and hemispheric solidarity.

Yesterday morning we had before us a comprehensive agenda and a tight schedule and thanks to the sterling leadership of our Chairman, Mr. Paul Murphy, the Committee has been able to cover all the matters presented for its consideration.

Judging from the reports that have been communicated to me and based on my own observations, this has been a successful meeting. The members of the Committee were able to meet the Institute's management team and hear about the work we have been carrying out over the past 18 months. We were also able to provide details on the development of the national agendas, efforts to modernize the Institute, attempts to reduce costs both at Headquarters and at the Offices in the Member States, and actions taken to make the Institute

more relevant in today's world. We also explained in great detail the challenges that the Institute is facing as a result of the budget freeze that has been in effect since 1995.

We are pleased that the Executive Committee has been able to approve a number of resolutions to strengthen the financial base of the Institute. I wish to make a brief pause to recognize the importance of the work by the Special Advisory Commission on Management Issues which strengthens the decision-making process of the Institute and has contributed significantly to the expeditious manner in which this Executive Committee has been able to deal with the agenda over the last two days.

Ladies and gentlemen of the Executive Committee: We must remember that this is a process and that we cannot reach our objectives without your continued support. I wish to thank you for your active participation over the last two days. I am encouraged by your contributions and I look forward to strengthening this relationship which will redound to the benefit of the people of the hemisphere.

Given the proposal to create the Free Trade Area of the Americas (FTAA), the Inter-American System is more relevant today than it has ever been and IICA intends to be a strategic force in promoting solidarity, social equity, cooperation and sustainable agricultural development in the hemisphere.

* Institute Headquarters, July 24.

Our work to promote hemispheric integration, science-based hemispheric trade, food safety, prosperity in rural communities and social equity must be seen as important elements in the efforts to promote democracy, free trade and economic stability in the hemisphere.

Our programs of work are strategically important for the future of agriculture in the hemisphere. They include efforts that focus on: i) the promotion of trade, agribusiness and food safety; ii) support to regional integration and horizontal technical cooperation; iii) support for increasing the competitiveness of agricultural products, as a measure to improving market access for the products of Latin America and the Caribbean; iv) support to rural communities and efforts to promote the sustainable use of natural resources; and v) increased resource allocation to agricultural health and food safety.

Before closing, I wish to recognize the people who have worked diligently to make this meeting a success. First, you, the delegates of the Member States, the management team, the Deputy Director General, Mr. Terry Vogt; all the members of the Cabinet; Mr. Fernando Del Risco, Secretary of the Cabinet; our legal advisor, Mr. William

Berenson; Mr. Miguel Herrera, Coordinator of the Protocol and Institutional Relations Unit; Ms. Leda Avila, Coordinator of Special Events and her team; Ms. Patricia Leon, Head of Public Information and Institutional Image and her team; Ms. Susana Raine, Head of Language Services and her team of translators and interpreters; Mr. Steve Lewis and the support and logistics team, and last but by no means least, the security personnel. Heartfelt thanks to all of you.

Mr. Chairman and members of the Executive Committee: I wish to reiterate my appreciation for your outstanding contributions during this meeting and I look forward to continuing to work closely with you to strengthen and modernize IICA so that together we can promote prosperity in the rural communities in the Americas.

To those of you who are travelling back home, I wish you a safe trip back to your respective destinations.

Mr. Chairman, for your sterling role in the success of this meeting, I present you the gavel of the meeting.

Thank you.

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2003 Representatives' Week

Opening Session'

IICA, Beyond 60 years - Charting New Directions Towards a Development Agenda

Let me begin by welcoming all of you to IICA Headquarters and thanking you for responding to our call for a week of consultation and dialogue, which it is my hope will assist in building the hemispheric team and in facilitating the transfer of experiences within the Institute.

Those of you who were here last year probably have pleasant memories of the rewarding experience that we shared and I am indeed pleased to have you with us again. The agenda we have prepared seeks to promote dialogue and consultation but also seeks to reinforce the strategic goals and objectives of our 2002-2006 Medium Term Plan and to build a hemispheric team of excellence.

I would like to take this opportunity to welcome Mr. Gonzalo E. González, our new Representative in Chile; Mr. Jorge Caro, our new Representative in Colombia; and Acting Representatives Mr. Edwin Martinez (Belize) and Miguel Angel Arvelo (Venezuela). A warm welcome as well to the new regional specialists, Mr. Nicolás Mateo, Regional Specialist and Representative of FONTAGRO in the United States; Joaquin Arias, Specialist in Agribusiness in Peru; and Una May Gordon, Specialist in Agribusiness in Barbados.

Let me introduce some persons who were not here last year. Lynda Landry, our Director of Human Resources Management; José María Fresneda, from our Office in Spain; Mr. Rodolfo Terruel, Project Specialist in the Andean Region; Mr. Javier Esparza, who was recently granted the title of Emeritus Personnel of the Institute by the Executive Committee, and Ms. Pat. Pentney, who is representing our Office in Canada at this meeting. We also have some special guests: Dr. and Mrs. Theodore Ferguson, Mrs. Veronica Loewel, Ms. Kembly Camacho and Mr. Luis Antonio Bareto de Castro.

I would like to take this opportunity to welcome all of you and to thank Gonzalo Estefanell, Aaron Parke, Edgardo Moscardi, Jose Nagel, Freddy Rojas, Ena Harvey, Felipe Manteiga, Francisco Enciso, Edwin Martinez, Jaime Muñoz-Reyes, Manuel Otero and the regional specialists and staff attached to their Offices for the cooperation and support I received during my official visits to Argentina, Trinidad and Tobago, Mexico, Chile, Peru, Barbados, the United States of America, Ecuador, Belize, Panama and Uruguay, during the first seven months of 2003.

* Institute Headquarters, August 18

The visits to the Offices constitute an important part of my responsibility as Director General of the Institute and I am pleased to report that I am satisfied that there is a sense of purpose and an atmosphere of satisfaction with the work of our Institute in the countries that I have visited. This does not imply that there is no room for improvement but it does imply that there is renewed hope that our Institute can make a significant difference and a contribution to the agriculture development programs of our member countries.

Meeting the staff also provided me with the opportunity to understand better the challenges that our staff face in implementing their work at the national level. In my view, this contributes to building the hemispheric team.

I would also like to thank all the Representatives for their national annual reports, which we received and which were of outstanding quality. It is the objective of this administration to make the Institute accountable at the national level.

1. New mandates - new opportunities

Last year, I shared with you my view that a brave new world of challenge and opportunities is with us as we enter the 21st century. The new Millennium Development Goals provide us with an opportunity to create a world of greater social justice.

We are all part of the instruments of change: a change to a world of social equity, a change to a world of justice, a world where we attempt

to close not only the digital gap but also the gap between the rich and the poor, to facilitate that elusive goal of creating a just society where the benefits of global prosperity are equitably shared.

The rural communities of the Americas are our space to make a contribution to humanity by promoting sustainable agricultural development, human capital formation and the conservation of the natural resources.

The instruments of our Medium Term Plan are the tools which we must use to achieve the results we seek, but the tools must work in a holistic manner, coordinated and focused on solving the real problems of our time.

We meet at a time when there is a renewed push to improve agriculture and rural life in the countries of the Americas, in response to a mandate from the Heads of State and Government. Meeting in Quebec City in April 2001, they launched a process that marks an unprecedented milestone in efforts to reposition agriculture and rural life in this hemisphere.

Our political leaders recognized the strategic importance of agriculture to our societies, considering that it is a way of life for millions of rural families in the hemisphere, plays a major role in the creation of prosperity and is a strategic sector of the socio-economic system. They also recognized the urgent need to develop the region's great potential for creating prosperity in the countryside in a manner compatible with sustainable development.

The Ministers of Agriculture met in Bavaro, Dominican Republic, in November 2001, at the First Ministerial Meeting on Agriculture and



Rural Life. Recognizing that we are at a turning point for agriculture and rural life in this hemisphere, they issued the Declaration of Bavaro for the Improvement of Agriculture and Rural Life in the Americas.

They recognized that agriculture needs to position itself within the new economy of information and knowledge, of globalization and integration, and of interconnected networks. This new economy is gaining momentum, generating opportunities for some and, at the same time, creating more inequality for others.

We can pool our capabilities, share and build upon existing experiences and meet more and more complex demands and, in this way, contribute to reaching that goal, to improve the lives of countless persons and contribute to prosperity in the nations of this hemisphere, especially in their rural communities.

As an international organization in an increasingly globalized world, and aware of the mandate issued by our political leaders, it is our intention that IICA be at the forefront of hemispheric solidarity, working together to set the course to be followed to ensure that all those in agriculture continue to contribute to food security, social progress and stability in our Member States.

2. The development agenda

Our IICA was included as one of the six international institutions mandated to follow-up on the mandates of the Summit; it was also appointed to serve as the Secretariat for the meetings of ministers of

agriculture of the Americas held within the context of the Summits of the Americas process.

This decision of the Presidents, which is amply presented in the Summit Declaration and the Plan of Action, has changed the role of our Institute forever. Now, the Institute must not only act as an institution of technical cooperation for agriculture in the hemisphere, it must also assume a broader mandate related to agriculture and rural life. In my view, that mandate means that our Institute must undergo a process of strategic global repositioning and must adopt a development agenda.

The actions we have taken during the past 18 months of internal reorganization and projection of a new external dimension are the initial part of this process. This process was characterized by a response to fifteen mandates which I accepted when I became Director General and these are well documented in my report for 2002 entitled "The Repositioning and Modernization of an Institution," which has been circulated among all the Member States.

The demands of our societies today and the changing global scenario demand a new level of maturity of our Institute. Last year we celebrated 60 years of institutional life. Anniversaries, however, are not just for celebration: anniversaries must mark defining moments in looking toward the future.

The new global scenario of a world of international trade negotiations, communication and information technologies, biotechnology and inter-connected economies suggests that countries are more committed

than ever before to strengthening and deepening the integration process in the Americas.

The emerging scenario suggests that the years 2003-2007 will be critical to the future of the countries of this region. Countries are beginning to adjust to the certainty of change in the rules regulating international trade and the inevitable exposure to greater global competition.

3. The trade agenda and the global trading regimes

Current discussions at the regional and hemispheric levels with respect to the potential outcomes of the Cancun Summit on global trade and the recent agricultural policy changes of the European Union, in which some "decoupling" of farm subsidies and production took place, suggest that there may be some progress towards the creation of a more human-oriented trade regime that takes the reality of the poor developing countries of the South into consideration. In addition, the report published recently by the United Nations Development Program (UNDP), entitled "Making Global Trade Work for People," which suggests that special and differential treatment for developing countries goes beyond traditional trade issues and includes education, health, gender equality, environmental protection and respect for cultural diversity, proposes that WTO rules be more flexible and development oriented.

Whatever scenarios arise from Cancun, it is our responsibility to continue to assist our Member States in the negotiations and

subsequent management of the trade agenda. It is in this context that our Hemispheric Program on Trade Agribusiness and Food Safety, which seeks to support the hemispheric trade agenda and promote food security in our hemisphere, is of critical and strategic importance.

The Second Ministerial Meeting, scheduled to be held in November in Panama, with its theme "Promoting Trade, Agribusiness and Rural Prosperity," is also of critical importance.

4. Population increase and urbanization

Recent statistics show that in 2025, the world population will have risen to eight billion. This numerical increase will be the main challenge for agriculture and world food supplies. A much greater impact, however, will result from rapid economic growth in key regions of the planet. This economic growth will very quickly alter the world's eating habits and increase total food consumption. But much of the population increase is expected to take place in the cities of the developing world.

According to the International Food Policy Research Institute (IFPRI):

By 2020, about 52% of the developing world's population will be living in urban areas, up from 38% in 1995. The rapid urbanization of the developing world and associated changes in lifestyles will have significant effects on food preferences and hence on demand. As people move from rural to urban areas, they tend to consume more livestock products, fruits, vegetables and processed foods.

The migration of young people to cities in search of a better life and the demand for food are occurring at the same time that the rural farm population is aging. Agricultural production and research systems will be challenged to keep abreast of changing dietary preferences in coming years and will have to utilize all the technologies, policies and management systems available to increase productivity in the rural sector.

5. The new technologies

Communication and information technologies, biotechnology and the Internet present new challenges and opportunities for the agricultural sector and, therefore, for our Institute.

5.1 Biotechnology

Biotechnology and genetic engineering have made great strides in the last 20 years, offering new prospects for increasing agricultural output. However, while biotechnology has the potential to produce crops and livestock that are more efficient, more productive and easier to produce, and use less agro-chemicals, consumer acceptance of genetically modified foods will continue to be a challenge for global application of the results of biotechnological research. According to recent statistics, the surface area under genetically modified crops worldwide was 40 million hectares in 1999 and will increase to 85 million hectares in 2003 (6% of the world's arable land). The potential of biotechnology in the future is

exemplified by the recent release of genetically modified "golden rice," which is rich in Vitamin A and represents a potential cure for Vitamin A deficiency in 124 million children worldwide.

As regards biotechnology, we cannot hold back the potential of this new science to address the problems of food insecurity but we must evaluate the risks and establish the appropriate regulatory framework for these biotechnological products under the new conditions.

5.2 Information and communication technologies

Rapid changes in information and communication technologies pose new challenges and offer opportunities for the agricultural sector. They provide easy and immediate access to information on markets, trade opportunities, consumer preferences and competitors around the world. They also facilitate advertising, promotion and the dissemination of information among current and potentially new clients.

The new technologies, together with increased globalization and market integration, are influencing changes in both internal demand and the supply of food. Institutions, individuals and enterprises in the hemisphere need to exploit the opportunities provided by the new technology to increase the competitiveness and range of their products and develop new market opportunities.

These advances are leading to the development of more knowledge-based economies; however, the challenge here is to ensure that information is adequately disseminated and utilized more to facilitate the provision of market information and technical services and to bring new experiences and technologies to the rural sector.

5.3 Consumer preferences

Improved education, communication and higher incomes have resulted in greater awareness of the importance of adequate nutrition for good health and general well-being, and the demand for fresh fruits, vegetables, functional foods, processed foods, snack foods and organic products has been increasing. In addition, food quality and food safety concerns are of increasing importance in national and international food markets. The challenge of agriculture will be to satisfy consumer demand while ensuring the safety and reliability of food supplies.

We are in the age of consumer-driven agriculture and this has major implications for our work with producers.

5.4 E-commerce

There is a report that asserts that in the year 2000, over 375 million US dollars in agricultural produce was sold on the Internet. The report underscores the potential of this new technology to provide new opportunities for producers and consumers to interact in an electronic environment in the future, when consumers will demand quality, safety, nutrition and choice.

The fact that more and more rural households are obtaining computers will strengthen this trend in the future, which holds great promise for niche marketing and promoting traceability.

5.5 Functional Foods

Functional foods are foods that may provide a health benefit beyond basic nutrition.

Consumer interest in the relationship between diet and health has increased demand for functional foods and dietary supplements in the last decade. This demand is also due to increasing health care costs, an aging population, rising interest in wellness through diet and some credible scientific evidence that supports the health benefits that can be derived from such products as antioxidants, flavonoids, carotenoids, Omega-3 fatty acids and others.

There is evidence that the market for such products, mostly of plant origin, is growing rapidly especially in the developing world.

These challenges, these changes, these realities must influence our work programs.

6. Poverty in our hemisphere

Measured by the World Bank benchmark of people with an income of less than two US dollars per day, the poor as a percentage of the world's population fell from 56% in 1980 to 23% in 2000. In spite of this



phenomenon, the FAO estimates that there are still 800 million poor people in the world.

In our hemisphere alone, the number is put at about 177 million, a large slice of the population, and 50% of these poor live in rural areas.

In addition, the widening gap between the rich and poor countries accounts for much of the income inequality among individuals in the hemisphere. Indigenous groups, women and youth are particularly vulnerable and marginalized in some rural communities of the Americas. Current economic conditions are also eroding the value of the pensions of many retired people in our countries.

7. The social responsibility of our Institute

Our Institute cannot dissociate itself from the social problems of unemployment, lack of shelter, education and health care, poverty and social injustice that prevail among the majority of our peoples. These social problems are reflected in urban and rural crime, trafficking in illicit drugs, personal insecurity, lawlessness, all of which represent a threat to peace and prosperity and the process of democratic governance.

Our Institute was not created for its own sake but to work with its States to help resolve some of the significant problems of our times.

It is therefore important that, in its future, the Institute embrace a social responsibility and a development agenda that allows it to play a

more dynamic and strategic role in the promotion of prosperity in the rural communities of the Americas.

That role must take us beyond the traditional support provided to agricultural production and make us partners in the development process to increase the competitiveness of the entire agrifood chain and foster linkages between the chain and other subsectors of the economy such as tourism, health, nutrition, infrastructure, education and the environment.

Our national agendas must reflect a holistic integrated approach that responds to the reality of the national agricultural community and national circumstances, and must link macro-policy with territorial reality.

Given this expanded mandate, a close relationship with strategic development partners both at the national, regional and global levels becomes very important for our work and, consequently, we must actively seek to promote strategic partnerships as part of this change. The agreements we have signed with FAO, PAHO and ECLAC are all part of this new strategy. The appointment of portfolio managers to work with the World Bank and the Inter-American Development Bank and the revitalization of the AgriFuture Foundation is also part of this strategic approach.

The future work and efforts of our Institute cannot focus on narrow scientific issues but must embrace the wider aspects of our contribution to society and to development. Such themes will include the Institute's contribution to food security and rural prosperity, through efforts to promote hemispheric and regional integration; facilitate

competitiveness and global trade; strengthen rural communities; promote food safety and agricultural health; develop human capital; reduce the knowledge and digital gaps; and foster environmental management.

A draft report on what has been accomplished in these key areas since Bavaro will be distributed at this meeting for your comments.

We must refocus our initiatives and redouble our efforts to embrace this development agenda while respecting our core business of promoting an agricultural sector that is competitive, technologically prepared, environmentally managed and socially equitable for the peoples of the Americas. This will ensure that we provide the new level of maturity that our Member States need from our Institute.

Last but not least, I would like to take this opportunity to set the tone for this second Representative's Week. As you have noted on the agenda, the focus for this week is results, excellence and consolidation of the hemispheric team. We have a very busy schedule for the week, and I hope that we can take full advantage of the discussions that will take place in the next few days. What results do we expect?

First, we would like to consolidate IICA's technical cooperation agendas and harmonize the thematic strategic lines of action with the national, regional and hemispheric reality. In this context, I urge you to participate fully in the simultaneous sessions tomorrow and Wednesday afternoons. I remember last year there were some comments that there was not sufficient time for discussions. We

have adjusted the agenda this year to include more opportunities for discussions.

It is of crucial importance that we engage in constructive dialogue in these sessions so that we may end the 2003 Representatives' Week with our technical cooperation agendas discussed, reviewed and agreed upon, based on the Institute's technical priorities, but also according to the national, regional and hemispheric demands.

The *raison d'être* of these Representatives' Week is to align our priorities so that we all speak the same language and to be fully cognizant of our team efforts.

Finally, Winston Churchill one of England's greatest leaders, once said "*To every man, there comes in his lifetime that special moment when he is figuratively tapped on the shoulder and offered the opportunity to do a very special thing, unique to him and suited to his talent. If that moment finds him prepared for the work, this could be his finest hour.*" Today could be your finest hour of service to the rural communities of the Americas.

Let me add just one final comment. It has been said that a small group of people, motivated, committed and with a vision, can change the world.

I am confident that we will benefit from this week's meetings, and look forward to your participation, cooperation and support.

Thank you.

Representatives' Week 2003

Closing Remarks

We have now reached the close of the Representatives' Week 2003 - a meeting which holds particular significance because it has taken place during the year in which our Institute will be holding the Second Ministerial Meeting and the Twelfth Regular Meeting of the Inter-American Board of Agriculture (IABA) in Panama, next November.

On Monday, we had before us a comprehensive agenda and a tight schedule and thanks to your cooperation we have been able to complete same.

Judging from the reports that have been communicated to me and based on my own observations, this has been a successful meeting. The Representatives and the regional specialists were able to interact with our management team and to hear about the work we all have been carrying out over the past 18 months. We were also able to receive details on the development of the national agendas, efforts to modernize the Institute, attempts to reduce costs both at Headquarters and in the Offices in the Member States, and actions taken to make the Institute more relevant in today's world. We also explained in great detail the challenges facing the Institute given the fact that its budget has been frozen since 1995.

Some hold the idea that these should be meetings where we report on our problems. I say no! These must be meetings where we share our experiences and our successes.

Ladies and gentlemen, we must remember that this is a modernization process and we cannot reach our objectives without your continued support. I wish to thank you for your active participation over the last week. I am encouraged by your contributions and I look forward to strengthening this relationship which will redound to the benefit of the peoples of the hemisphere.

Given the proposal to create the Free Trade Area of the Americas (FTAA), the Inter-American System is more relevant today than it has ever been and IICA must be a strategic force in promoting solidarity, social equity, cooperation and sustainable agricultural development in the hemisphere. Agriculture and its modernization are critical factors for achieving the Millennium Development Goals and reducing poverty.

Our efforts to promote hemispheric integration, science-based hemispheric trade, food safety, prosperity in the rural communities and social equity must be seen as important elements in the promotion of democracy, free trade and economic stability throughout the hemisphere.

Our programs of work, which are strategically important for the future of agriculture in the hemisphere, focus on: i) the promotion of trade, agribusiness and food safety; ii) support to regional integration and horizontal technical cooperation; iii) support for increasing the

* Institute Headquarters, August 22

competitiveness of agricultural products, as a measure to improve market access for the products of Latin America and the Caribbean; iv) strengthening rural communities and efforts to promote the sustainable use of natural resources; and v) our activities in the areas of agricultural health and food safety.

I wish to congratulate all of you for the effort you put into your presentations. What a great improvement both in content and quality! However, I note that in many cases, there are still too many generalities and we need to focus more on results and on the impact of our activities or their potential impact in the sector. In this connection, I have already recommended that you seek to identify particular communities or specific families within rural communities where you can clearly demonstrate how IICA has made a positive contribution in their lives.

IICA has defined the promotion of rural prosperity, food security and sustainable agricultural development as its higher objectives in response to its mission and to the mandates received from the IABA and the Summits of Heads of State and Government.

The Institute's capacity to attain such high goals is often questioned on the grounds that a technical cooperation agency with limited resources cannot aspire to achieve such great objectives that would better suit external funding institutions.

The truth is that, given the member countries' needs in a scenario of poverty and inequitable economic development, an agency of the Inter-American System such as IICA must define its policy guidelines and strategy in terms of higher goals to which it is committed but will not necessarily achieve alone.

IICA's planning system should allow for intermediate objectives to be identified for each of the aforementioned higher objectives, which will make it possible to organize and quantify IICA's contribution to achieving same. Here, strategic partnerships are very important and our link with national authorities is crucial.

One example of an intermediate objective that will contribute to achieving the higher objective of promoting food security could be: "Improve productivity and access to staple foods for feeding the inhabitants of the rural communities of northern Brazil."

A result of this objective would be: "In 2003, farmers in Piauí, Brazil, have increased their yields of fruit crops, corn and beans by 10% and the food demands of the population are being met."

The indicator for this intermediate result would be: "In 2003, 5000 farmers have increased their earnings and reduced their production costs. In addition, they have production surpluses that are being exported to other regions and abroad."

The above is just one example of what could be defined as a contribution by the area of Technology Innovation, in cooperation with the areas of Agricultural Health, Trade, Rural Development, and Education and Communication, as integral components of what could be an inter-thematic project aimed at increasing the efficiency of staple food production.

Finally, it should be underscored that planning results and activities on the basis of intermediate objectives will facilitate a clearer definition and quantification of the social impact of IICA's institutional policy.

On Wednesday morning, I highlighted several points that I am going to raise again now since I want you to take the message away with you.

Corporate strategy and centralization

First, let us not confuse corporate strategy with centralization. They are not synonymous. Let us remember that Headquarters has a key role to play in terms of providing focus, orientation and leadership, and as such, it has primary responsibility for certain matters such as the elaboration of technical policy for the thematic areas, cash flow management, corporate image and reporting to the Board and Executive Committee. Personnel management policy cannot be decentralized.

We also need to ensure corporate efficiency and here I might cite examples such as bulk purchasing and corporate discounts. We must lead and promote values, including integrity, commitment, flexibility, accountability, efficiency, tolerance and service, and we must lead in areas such as respect for colleagues, team work, and recognition of outstanding performance.

The Inter-American Board of Agriculture (IABA)

As you are aware, the Twelfth Regular Meeting of the Inter-American Board of Agriculture will be held on November 13, 2003. In preparation for this important meeting, I am in the process of compiling a report to the ministers. As part of the process leading up to the IABA, each Office must prepare a video of not more than 15

minutes portraying the work being carried out in the respective Member State.

Before closing, I wish to recognize the people who worked diligently to make this meeting a success: first, the management team, the Deputy Director General, Terry Vogt; the Director of the Technical Cooperation Secretariat Mario Seixas and his assistant Danielle Vinette; Miss Pamela Stroude, Coordinator of the Office of the Director General; all members of the Cabinet; Mr. Miguel Herrera, Coordinator of the Unit for Protocol and Institutional Relations; Leda Avila, Coordinator of Special Events and her team; Patricia Leon, Head of Public Information and Corporate Image and her team; Silvia Delgado; Susana Raine, Head of Translations Services and her team of translators and interpreters; Steve Lewis and the team of support and logistics, and last, but by no means least, the security personnel. Heartfelt thanks to all of you.

I wish to reiterate my appreciation for your outstanding contributions during this meeting and I look forward to continuing to work closely with all of you to strengthen and modernize IICA so that together we can promote prosperity in the rural communities in the Americas.

Finally, I wish to congratulate Pamela Stroude and Roberto Gonzalez, who will be celebrating birthdays tomorrow.

For those of you who are traveling, I wish you a safe trip back to your respective homes and I look forward to the Representatives' Week 2004.

I thank you.

The Global Importance of Agriculture and Sustainable Rural Development, and of Preparing Young Leaders to Lead Change in the Tropics.

Introduction

Let me begin by expressing my sincere thanks to the organizers of this Seminar on Sustainability, Education and the Management of Change in the Tropics (SEMCTT) for your kind invitation and for the opportunity to present IICA's vision of the present and future challenges of this subject in the Americas.

The Inter-American Institute for Cooperation on Agriculture (IICA) is the specialized agency for agriculture of the Inter-American System, linked to the Organization of American States (OAS). Founded over 60 years ago, the current objectives of the Institute are to promote sustainable agricultural development, food security and prosperity in the rural communities of its 34 Member States in the Americas. The Institute is governed by the Inter-American Board of Agriculture, which is made up of the 34 ministers of agriculture of the Americas. In addition, there are 18 Permanent Observers, including several European countries, and Spain as an Associate Member.

In the pre-session reading material sent to me, I noted a statement that said that "agriculture must undergo a metamorphosis." We are in agreement with this concept. In fact, our view is that agriculture must be viewed for what it is: the bedrock of society and the cornerstone of all economies. But for agriculture and rural

development to take their rightful place in economic development, the real contribution of agriculture to national development must be recognized by decision makers.

Official statistics often show agriculture as contributing single digit percentages to the gross domestic product (GDP). Our research suggests that when all the backward and forward linkages in the commodity chain are considered, agriculture's contribution to national development is significantly higher than the percentages reported in national statistics. The following table demonstrates this clearly.

**Gross Domestic Product and Value Added
Contribution to the GDP**

	AgGDP/GDP	GDP Extended Agriculture/GDP
Argentina	4,6 ^o	32,2 ^o
Brazil	4,3 ^o	26,2 ^o
Chile	5,6 ^o	32,1 ^o
Mexico	4,6 ^o	24,5 ^o
United States	0,7 ^o	8,1 ^o
Venezuela	4,0 ^o	20,5 ^o
Costa Rica	11,3 ^o	32,5 ^o

* International Seminar on Sustainability, Education and the Management of Change in the Tropics, Oslo, Norway, September 3-5, 2003

This under-estimation of the importance of food and agribusiness industries in economic development has resulted in a lack of recognition of the contribution of agriculture and agricultural professionals to national development; under-financing of agricultural research, training and education; low interest in agribusiness as a profession among youth; under-financing of rural infrastructure and investment in the sector; an urban bias in the allocation of national resources; and the continued dependence of some countries of the Americas on imported food.

Within this context, we are convinced that the extended agricultural sector, which extends beyond the parameters of primary agricultural production, is crucial in the search for economic growth and rural welfare.

Agriculture contributes to three fundamental aspects of development: national food security, national social stability, and environmental protection for this and future generations. Agriculture is important for the promotion of rural prosperity because we can no longer accept the migration of the rural poor to cities as a solution for rural poverty. The associated social and economic difficulties continue to threaten social stability and the progress being made toward democratic governance. We must reverse this rural-to-urban drift.

The role of governments

The structural adjustment programs of the recent past produced a decline in the size and budgets of the ministries of agriculture in a number of the countries of the hemisphere. The global scenario, however, requires that the State play a critical role in providing the regulatory and policy frameworks for agriculture, as well as support services such as rural infrastructure, land tenure security, training, research and extension, all of which are necessary for the development of competitive agriculture.

Forces of integration and hemispheric trade

Over the last decade or so, there has been a clear trend in the Americas to promote regional and hemispheric integration and trade in the hemisphere. The emergence of MERCOSUR, NAFTA, the G-3, the Andean Pact, the ACS, and the strengthening of CARICOM into a single market and economy, as well as efforts to build the Free Trade Area of the Americas (FTAA), all clearly express the destiny of this hemisphere to move towards integration.

Trade among the countries of the Americas has increased more significantly than has world trade. In the past decade, world trade has shown an annual increase of approximately 8%, while regional

groupings in the Americas have recorded higher increases: 20% in the Andean Pact area, 12% in NAFTA and over 20% in CARICOM.

This trend suggests excellent prospects for regional trade in the future, and will underpin the formation of the Free Trade Area of the Americas.

Mandates of the 2001 Summit of the Americas

The Third Summit of the Americas, held in Quebec City, Canada, in 2001, produced a Declaration and a Plan of Action that clearly define the strategies and programs to be followed for creating greater economic prosperity, expanding economic opportunities, and strengthening international relations among the countries in the foreseeable future. The commitment to create the Free Trade Area of the Americas by 2005 underscores the need for ongoing dialogue and cooperation within the Inter-American System.

In both the Declaration and the Plan of Action, the Heads of State and Government of the Americas emphasized the importance of agriculture and rural life for strengthening democracy, creating prosperity and realizing the human potential of the peoples of the Americas.

The proposed Free Trade Area of the Americas will create a global market of some 800 million people. This market will provide unprecedented opportunities for trade in agricultural products and an opportunity to establish the largest agribusiness community in the world. Our hemisphere is emerging not only as the fastest growing sub-region of the world, but also as the sub-region with the greatest potential for future growth.

The agriculture of Latin America and the Caribbean in the 21st Century must be competitive: it must produce value-added products,

be environmentally sustainable and respond to the growing demand for processed convenience foods and organic products. Against this backdrop, agricultural development in the 21st Century must ensure a sound balance between food security and a protected environment.

The agriculture of the future will be increasingly multifunctional, heterogeneous, complex, knowledge-driven, technology-driven, market-oriented and adapted to available resources. The key factors driving this new agriculture will be the application of biotechnology and information technologies, as well as the globalization of markets, knowledge, education and consumer preferences.

The new agriculture must depend more and more on the capacity of competitive agribusinesses to market products that meet animal and plant health standards, as well as food safety and environmental regulations.

Figure 1. Agriculture and Technology



The success of this paradigm depends on technology, information and communication, training and education, promotion of value-added products, and the exchange of experiences.

This figure shows that the new agriculture will be driven by global trade, based on agribusinesses that produce value-added products that meet agricultural health and food safety standards, while respecting the environment.

IICA's role in agriculture and rural development

I would now like to mention four strategies that IICA pursues to support efforts in this new scenario:

- It supports agro-industrial and agri-business development by promoting the use of new technologies and business principles in agricultural enterprises, with a view to promoting competitiveness and the development of a global agri-business environment. Agribusiness and rural enterprises have a critical role to play in the creation of prosperity, employment and economic growth in the hemisphere. Accordingly, IICA has a critical role to play in providing training and in promoting the use of business principles, innovative technology, new information and communication systems in agricultural production and in agribusiness enterprises so as to increase their competitiveness in global markets.
- IICA supports the ministries of agriculture in their efforts to transform their roles, structure and functions so as to better equip them to face the new realities of globalization and State modernization. Ministries of agriculture and other institutions in the region are in the process of restructuring and refocusing their programs to cope with the new challenges of the global trade environment and the need for the agricultural sector to be efficient and competitive in a situation of budgetary cutbacks. IICA works to bring the experiences of other countries to the discussion table and to provide technical, policy and administrative support for the process of institutional modernization.
- IICA promotes sustainable development and the sustainable use of our natural resources for present and future generations. The sustainable use of natural resources is critical for prosperity and for the sustainability of rural life. IICA collaborates with other national, regional, hemispheric and international institutions to promote the sustainable use of natural resources. Critical aspects of this theme are deforestation, land degradation and water for agriculture.
- IICA also supports its Member States in enhancing the safety of food supplies. Non-trade issues such as food safety and agricultural health continue to be critically important for the process of globalization and trade liberalization. The coordination of policy initiatives in support of strategies that address these issues is vital for the Member States. IICA therefore supports national and regional programs which focus on harmonizing approaches to food safety and the control of animal and plant pests and diseases that present barriers to trade and agricultural productivity. IICA also assists its Member States in modernizing their agricultural health organizations and operations so they can comply with their new international commitments under the WTO and other trade agreements.

Success in modernizing agriculture in the Americas and in developing the full potential of the rural sector will depend in large measure on leaders who can promote change and harness the vast potential of our countries by removing the anti-rural bias in development policy.

The new educational curriculum for sustainable agricultural development

Knowledge- and information-based economies and interconnected networks require a solid foundation of education and training. For this reason, I would like to speak briefly about a new agricultural education curriculum for sustainable agricultural development.

Educational institutions in the region have been slow in adjusting their curricula to new circumstances, which include changing employment opportunities in agriculture; rapid scientific progress and technical change; increased awareness of environmental issues; increased awareness of gender issues and the role of women in agriculture; the need to include population issues in agricultural education; and the need for an inter-disciplinary approach to agricultural education, research and extension.

There is a need to revisit the approach to education as a whole. Current research suggests that what we need today in a first-degree level agricultural graduate is greater understanding of business practices, the ability to communicate with diverse rural groups and to support these groups in collective problem solving, and the ability to assist small family farms advance from subsistence agriculture to commercial production. This requires a curriculum that uses

practical examples to emphasize the holistic nature of the agricultural production process throughout the entire food chain and that exposes students to real life situations that are relevant to modern agriculture.

Agricultural education in the region must respond to the market's demand for graduates and must take national policies and strategies into account. The new curriculum must assist in unlocking the talent and creativity of the youth of our nations so that they can contribute to finding innovative solutions to the complex problems facing our world.

It must also provide an environment for collaborative efforts so that the new world of cooperation we want to build is inculcated in youth in the early stages of their development. Students must also be taught that leadership of others begins with leadership of self. The basic principles of integrity, impartiality, professionalism, flexibility, loyalty, prudence, responsibility and respect for others as human beings must be addressed in the new curriculum. Leadership of self precedes leadership of others.

IICA's strategy for agricultural education

In this context, our Institute has developed a strategy for strengthening education and training in agriculture. It has four components:

- Contribute to the modernization of higher and vocational agricultural education centers, agricultural training systems and institutions in order to improve the relevance and quality of their products.

- Support training programs for the agribusiness community and for the staff of public and private agricultural organizations in order to strengthen their competitive capabilities and improve their position in international markets.
- Systematize and disseminate experiences on the modernization of agricultural education and training, and strengthen horizontal cooperation.
- Form part of the World Bank's Global Development Learning Network that specializes in agriculture.

A new development agenda for IICA

It is our view that modernization of the agricultural sector and sustainable rural development are critically important for achieving the Millennium Development Goal of reducing poverty by 50% by the year 2015.

We must examine the potential in rural communities for rural services, crafts, agro-tourism, forest products, transportation, food processing, marketing, input supplies and output-related services.

According to IFPRI, "the abundance and diversity of the region's (*referring to Latin America and the Caribbean*) agricultural and natural resources provide the region with a comparative advantage to compete in world markets and generate broad-based growth throughout the economy."

However, that growth will only be realized if we adopt a more relevant development model that facilitates increased investment in the rural areas to contribute so to a more sustainable development of agriculture

and greater prosperity in the rural economy. Such a model should include an institutional framework that promotes cooperation and partnership among the State and civil society, considered within the framework of a market economy that seeks more extensive and transparent actions. This, in turn, demands a new role for public, private and international organizations.

It is therefore necessary to adopt new development models that facilitate the following: better rural-urban balance through integral development of both urban and rural areas; greater investments in rural areas aiming to ensure social and political stability; promote the competitiveness of agriculture and rural economic activities, and create rural agricultural and non-agricultural employment that provide an acceptable level of livelihood in rural areas; productivity increases and an expansion in food supply to meet growing food needs and market requirements.

It is therefore necessary to adopt policies and strategies to increase investments in the rural sector so as to facilitate a profitable and sustainable use of natural resources; support investments in infrastructure and services that will make both agriculture and non-agricultural activities in rural areas competitive, profitable and sustainable; support investment for the development of human capital in the rural sector (rural education) so as to increase the skills of the population and improve their standard of living, and invest in the development of rural enterprises and institutions that strengthen rural-urban linkages, the generation of value-added activities and higher incomes.

In light of the challenges facing agriculture and rural life, we need a new institutional framework that can transform rural isolation into a

network of global prosperity. The mechanism for implementing this strategy is a hemispheric platform of cooperation that: i) promotes dialogue; ii) strengthens and expands alliances with strategic partners; and iii) promotes an increased flow of investments into agriculture and the rural economy.

This hemispheric platform will make it possible for the stakeholders in agriculture to take advantage of hemispheric and global knowledge and, at the same time, to bring influence to bear at the hemispheric and global levels regarding needs at the local and national levels. In my opinion, establishing a hemispheric platform to link these different levels of action provides an opportunity to link the community of agriculture and rural life with the global society of knowledge; develop new styles of cooperation among international organizations and countries; and mobilize national and international resources for investing in agriculture and rural communities.

The Institute proposes to use the following instrument to promote prosperity in the rural sector:

- develop strategic relationships with the Member States so as to facilitate a better identification of their needs in the rural sector,
- develop strategic partnerships with the international financial community,

- promote trade capacity building,
- foster agribusiness development and forge closer linkages with the private sector,
- contribute to improving education and training for modernization of the rural economy,
- further horizontal technical cooperation among the countries,
- advance sustainable community development, and
- promote protection of the environment.

To conclude, allow me to congratulate you on the organization of this important seminar and to thank you for giving me the opportunity of speaking on the global importance of agriculture and sustainable rural development, and of preparing youth to lead change in the tropics.

Let me end by quoting some familiar words: "Only the educated are free." We must continue to invest in the education of our people and so open the windows of opportunity and provide rays of hope for this and future generations so that they can look to new horizons and aspire to progress. They must be able to dream dreams of greatness and have the tools to achieve their aspirations. Only then will we guarantee the continued progress of our nations and a world of social equity.

Thank you.

*Sixty-first Anniversary of the Institute**

On this day, the 61st anniversary of the founding of our institute, I wish to salute the community of agriculture of our member states, our associate member and our permanent observers.

Last year when we celebrated IICA's 60th anniversary, the leaders and members of the agricultural sector, as well as representatives of the private sector, praised the significant contributions of the institute to agriculture in the hemisphere during its many years of institutional life.

Today we are preparing for the second ministerial meeting on agriculture and rural life in the hemisphere. at that event, the institute will, for the second time, assume its new role as secretariat of the ministerial meetings on agriculture, in accordance with the mandates stemming from the summit of the Americas, held in Quebec in 2001.

At the upcoming ministerial meeting, the ministers will provide direction for agriculture in the hemisphere for the 2003-2015 period.

The institute sees the ministerial meeting as a historic opportunity to assure the heads of state and government that we have assumed their mandates with due determination. It behooves us to make it a highly productive meeting, to demonstrate to the community of agriculture and rural life of the Americas that we understand the opportunity given to us by our political leaders during the aforementioned Quebec summit meeting.

The meeting will address five main topics:

- *Where we stand two years after the ministerial declaration of Bavaro. the director general will report on the institute's work to comply with the mandates contained in the declaration of Bavaro.*
- *A brief description of the desirable socio-economic setting for agriculture and rural life in the future. world-renowned leaders will participate in this section.*
- *The vision we have for agriculture and rural life in the year 2015, and what we can expect if the present situation continues without major changes. participants will discuss what development gaps need to be closed.*
- *Some of the strategic topics set out in the hemispheric agenda. our consultations with the ministers of agriculture showed that we should focus on the subjects of trade, food security, biotechnology and rural prosperity.*
- *Summit of the Americas. by the time they are presented at the ministerial meeting, consensus should have been achieved on the plan of action and the ministerial proposal to be presented at the next summit meeting. these documents are the result of the work of the ministerial delegates and will enable the ministers of*

* Institute Headquarters, October 7

agriculture to adopt and sign the documents at the second ministerial meeting. the focus of the ministers' discussions on this subject will be to exchange experiences and ideas regarding how to proceed.

A very important task before us is to ensure that the role of agriculture and rural life is recognized as being of strategic importance for striking a new balance between the rural and the urban milieus. this must be attained if we are to foster integral development in our countries and to contribute to achieving the millenium development goal of reducing extreme poverty and hunger by 50% by the year 2015.

With regard to the ministerial proposal for the fourth summit of the Americas, the ministers will define their position regarding what new socio-economic decisions are required from the heads of state and government to enable agriculture and rural life to reach the ideal scenario described in the proposed agro 2003-2015 plan of action.

The international organizations identified by the heads of state and government as partner institutions in the summit of the Americas process, as well as other organizations, have been invited to participate in this event.

We continue to encourage everyone to work together to tap the opportunities afforded by this meeting to strengthen, with technical inputs, the sector's participation in development. by "working together," we can play a more useful role in the ministerial delegates' efforts to promote a new vision for sustainable agriculture in the hemisphere.

At the meeting of the inter-American board of agriculture, which will immediately follow the ministerial meeting, we will report on the institutional changes being made to modernize IICA and to continue strengthening the institute's position as a partner institution in the summit of the Americas process. we look forward to the cooperation of all in this noble endeavour.

Fourth Caribbean Week of Agriculture

Opening and Launching Ceremony

I am indeed extremely pleased to be back in the Caribbean and to have the opportunity to participate in this Fourth Caribbean Week of Agriculture.

I appreciate the cooperation we have received from the government and people of Guyana and from national, regional and international organizations in the preparation of this event: a true example of working together. I would wish to particularly thank Minister Sawh for the ready concurrence of Guyana to host this Caribbean Week of Agriculture and his subsequent leadership of the preparations for same. In addition, I would like to express my appreciation to His Excellency, President Bharrat, for providing the total support of his government.

This event is being held at a time when agriculture and agriculture-related issues continue to dominate the global trade agenda. The recently held meeting of the World Trade Organization in Cancun underscores the importance of the sector to national development, world peace and prosperity.

There is no doubt that globalization and trade liberalization have had some positive effects for certain economies of our world. However, if globalization does not take into account rural development, food

security objectives and the concerns of developing countries, it will not provide global prosperity nor social equity.

The economies of small developing countries in the Caribbean must be afforded the opportunity to insulate their domestic sectors from import surges and depressed export prices. Food security, social stability and environmental concerns must also be part of the new trade agenda.

In its report entitled "*Making Global Trade Work for People*," the United Nations Development Programme (UNDP) states that special and differential treatment for developing countries goes beyond traditional trade issues and includes education, health, gender equality, environmental protection and respect for cultural diversity. It also proposes that WTO rules be more flexible and development oriented. The results of the Cancun meeting, where the three pillars of trade (market access, domestic support and export subsidies) were discussed, underscore the pivotal role of an agreement on agriculture for world peace and prosperity.

But while these initiatives are taking place at the global level, we must begin to implement national and regional strategies to support agriculture and rural development in our countries. These initiatives must begin with a new approach to agriculture and rural development.

In the first case, agriculture must be valued for what it is: the bedrock of society and the cornerstone of all economies.

Official statistics often show agriculture as contributing single digit percentages to the gross domestic product (GDP). Our research suggests that when all the backward and forward linkages in the commodity chain are considered, agriculture's contribution to national development is significantly higher than the percentages reported in national statistics. For example, in Argentina official statistics indicate that agriculture's contribution to GDP is 4.6% but when all the backward and forward linkages are considered, this figure increases to 32.2%. In the case of Brazil, the figures jump from 4.3% to 26.2%; Chile, from 5% to 32.1%; Mexico, from 4.6% to 24.5%; Costa Rica, from 11.3% to 32.5%. We are currently carrying out a similar study in the Caribbean.

This under estimation of the importance of food and agribusiness industries in economic development has resulted in a lack of recognition of the contribution of agriculture and agricultural professionals to national development; the under-financing of agricultural research, training and education; low interest in agribusiness as a profession among youth; under-financing of rural infrastructure and investment in the sector; an urban bias in the allocation of national resources; and the continued dependence of some countries of the Americas on imported food.

Within this context, we are convinced that the extended agricultural sector, seen from a perspective that extends beyond

primary production, is crucial in the search for economic growth and rural welfare. Agriculture contributes to three fundamental aspects of development: national food security, national social stability, and environmental protection for this and future generations.

Agriculture is important in efforts to promote rural prosperity because the solution to rural poverty can no longer be the migration of the rural poor to cities, where social and economic difficulties continue to threaten social stability and the progress being made toward democratic governance.

We are convinced that unless the ministries of agriculture's roles are redefined and the real contribution of agriculture to national development is recognized, there will be no definition of a rural identity and decisions on agriculture will continue to be made by people who neither live nor work in the sector.

In most developing countries, the structural adjustment programs of the recent past resulted in a reduction in the budgetary resources allocated to the ministries of agriculture in a number of countries of the hemisphere. The global scenario, however, requires that the State play a critical role in providing the regulatory and policy framework as well as support services for agriculture (such as rural infrastructure, security of land tenure, and training, research and extension), all of which are necessary for the development of competitive agriculture. The traditional private sector and non-governmental organizations are increasingly involved in providing technical services to the sector, but the role of government in

building new strategic partnerships with the private sector, non-governmental organizations, and the institutions of civil society remains a critical one.

The rural sector has no hope for development, however, unless there is an increased flow of investment capital from both the public and private sectors to the rural economy. If progress is to be made in curbing rural poverty, the international financial community must consider the importance of social balance, and not just profits, when they invest in the rural economy.

We must therefore examine the potential in rural communities for rural services, agro-tourism, forest products, transportation, food processing, marketing, input supplies and output related services.

According to the International Food Policy and Research Institute (IFPRI) "the abundance and diversity of Latin America and the Caribbean's agricultural and natural resources provide the region with a comparative advantage to compete in world markets and generate broad-based growth throughout the economy."

However, that growth will only be realized if we adopt a more relevant development model that facilitates increased investment in the rural areas with a view to assuring a more sustainable development of agriculture and greater prosperity in rural economies. Such a model should include an institutional framework that promotes cooperation and the convergence of the State and civil society. This should be considered within the framework of a market economy that seeks more extensive and transparent actions

and that demands, in turn, a new role for the public sector, the private sector and international organizations.

Past and some current development models have an anti-rural bias and whose approach to modernizing the economy is based on industrialization and growth of urban areas. Some consequences of these models include:

- A large, disproportionate allocation of public investment funds for urban centers.
- The concentration of population in cities, the resulting political importance of ensures greater public investments in urban services.
- A greater inflow of private investment in urban areas as a result of the externalities from public investments.
- The continued inequality between urban and rural areas despite economic reforms implemented in the mid-1980s and during the 1990s.
- A limited inflow of resources and improvement in infrastructure in rural areas due to unsound public policies on investment, trade and taxes.
- The spill-over effects of increased rural poverty in urban areas.
- An increasing proportion of the national budget being allocated for investments to solve growing urban problems.
- A rise in violence and growing social and political insecurity in the rural economy due to the urban-rural imbalances.
- The continued competitive disadvantage of the rural sector despite investments in areas of great potential.

The vicious circle of public investment must be reexamined.

Vicious Circle of Public Investment



It is therefore necessary to adopt a new development model that facilitates better rural-urban balance through integral development of both urban and rural areas; greater investments in rural areas for ensuring social and political stability, promoting the competitiveness of agriculture and rural economic activities, and creating rural agricultural and non-agricultural employment that provides for an acceptable level of livelihood in rural areas; productivity increases and an expansion in food supply to meet growing food needs and market requirements.

Furthermore, suitable policies and strategies need to be adopted to:

- increase investments in the rural sector so as to facilitate the profitable and sustainable use of natural resources;
- support investments in infrastructure and services that will make both agriculture and non-agricultural activities in rural areas competitive, profitable and sustainable;
- support investment for the development of human capital in the rural sector (rural education) so as to increase the skills of the population and thus improve their standards of living; and
- invest in the development of rural enterprises and institutions that strengthen rural-urban linkages and the generation of value-added activities and higher incomes.

In light of the challenges facing agriculture and rural life, we need a new institutional framework to transform rural isolation into a network of global prosperity. The mechanism to implement this strategy is a hemispheric platform of cooperation that can promote dialogue; strengthen and expand alliances with strategic partners; promote an increased flow of investments into agriculture and the rural economy; and facilitate hemispheric trade.

The aim of this hemispheric platform is to permit the stakeholders in agriculture to take advantage of hemispheric and global knowledge and, at the same time, bring influence to bear at the hemispheric and global levels to take into account needs existing at the local and national levels.

The proposed Free Trade Area of the Americas (FTAA), with a potential to create a single hemispheric market of 800 million people and a capital market of some 15 trillion dollars, offers the countries of the Americas both challenges and opportunities. The concept of a new

inter-American economy, in which no country is constrained by its geographic size but has the potential to create enterprises which can operate in the new regional, hemispheric and global environment, is an exciting reality for development in our countries.

However, the potential will only become a reality if globalization and trade liberalization are controlled and regulated by transparent, science-based rules, with instruments and institutions that provide for the equitable distribution of the benefits of the new global economy. In this regard, the concerns expressed regarding the treatment of small economies, the environment, and those who may be marginalized by the process, are relevant.

The small economies of the region, which are struggling with the twin challenges of eliminating poverty and promoting sustainable economic development, must be assisted in their efforts to integrate into the global economy. The networking and benchmarking of institutions in the hemisphere to share experiences and learn from each other is important. In addition, institutions such as IICA must play a strategic role in fostering development cooperation that facilitates effective technical assistance from the Institute's large developed member countries to its small developing member countries. Small states must be able to play their legitimate role in the affairs of the Institute.

Caribbean agriculture faces several global challenges in the future, including the need to: i) adjust to liberalized economies in the global world; ii) broaden their economic base, moving away from the traditional crops of the past; iii) preserve the environment; and iv) become competitive.

IICA will therefore continue:

- **To strengthen the trade negotiating capacity of the region** by providing further assistance to the Caribbean Regional Negotiating Machinery (CRNM) and facilitating studies and actions that provide the technical base for negotiations in such areas such as sanitary and phytosanitary measures, intellectual property rights and food safety, among others.
- **To support the capacity of the region to capture, generate and disseminate technology** by providing support to CARDI, PROCICARIBE and national technology generating institutions. In addition, the IICA Offices in the countries will become centers of information, training and technical support in areas of strategic importance to the agricultural sectors of the region.
- **To support agricultural enterprises with agribusiness services and provide linkages between Caribbean agribusinesses and Latin American markets** by strengthening the Caribbean Agribusiness Association and facilitating cooperation and contacts with the wider hemispheric agribusiness community.
- **To support the Caribbean Council for Higher Education on Agriculture** in its quest to produce graduates better suited to managing the development of agriculture and rural areas.
- **To support the disadvantaged groups of rural women and youth**, through the Caribbean Network of Rural Women

Producers and the Caribbean Forum for Youth in Agriculture, in order to contribute significantly to repositioning agriculture and improving their quality of life.

- **To provide support to the Alliance for Sustainable Agricultural Development in the Caribbean as a mechanism of regional dialogue and coordination.** IICA must continue to support this all-embracing stakeholder forum as a mechanism for regional dialogue, critical strategic thinking and discussion on issues related to the modernization of the agricultural sector.
- **To assist the ministries of agriculture in their processes of reform.** Many ministries of agriculture in the region are restructuring and refocusing their efforts and programs in order to cope with the new challenges of the global trade environment and the need for the agricultural sector to be efficient and competitive, despite budgetary cutbacks.
- **To provide support for the development of a regional agro-tourism program, in cooperation with relevant tourism organizations,** in order to explore opportunities for effectively linking the tourism market (hotels and cruise liners) with local food producers, and to promote the concepts of quality and reliability in local food production. In addition, the recreational and educational aspects of agro-tourism will be explored in a program that emphasizes linkages between agriculture, tourism and the environment and pursues a multi-sectoral approach to rural development.

The Institute cannot dissociate itself from the social problems of unemployment, poverty, social injustice and the lack of shelter, education and health care that prevail among the majority of our peoples. These social problems are expressed in urban and rural crime, trafficking in illicit drugs, personal insecurity and lawlessness, all of which represent a threat to peace and prosperity and the process of democratic governance.

Consequently, the Institute will embrace social responsibility and a development agenda that allows it to play a more dynamic and strategic role in promoting prosperity in the rural communities of the Americas.

That role takes us beyond our traditional support for agricultural production and makes us partners in the development process of increasing the competitiveness of the entire agrifood chain and fostering linkages between that chain and other sectors of the economy, such as tourism, health, nutrition, infrastructure, education and the environment.

Our National Agendas result from a holistic integrated approach that responds to the reality of the national agricultural community and national circumstances, and must link macro-policy with territorial reality.

Given this expanded mandate, a close relationship with strategic development partners at the national, regional and global levels becomes very important for our work. Consequently, we must actively seek to promote strategic partnerships as part of this change. The agreements we have signed with the Food and Agriculture Organization (FAO), the Pan American Health

Organization (PAHO) and the Economic Commission for Latin America and the Caribbean (ECLAC) are all part of this new strategy. The appointment of portfolio managers to work with the World Bank and the Inter-American Development Bank is also part of this strategic approach.

The work and reports of our Institute can no longer focus on narrow scientific aspects of agriculture, but must embrace the wider aspects of our contributions to society and to development. Such themes will include the Institute's contributions to food security and rural prosperity through its work to: foster hemispheric and regional integration; facilitate competitiveness and global trade; strengthen rural communities; promote food safety and agricultural health; develop human capital; reduce the knowledge and digital gaps; and promote environmental management.

We will embrace this development agenda while respecting our core business of promoting an agricultural sector that is competitive,

technologically prepared, environmentally managed and socially equitable for the peoples of the Americas. This will ensure that we provide the new level of maturity demanded of our Institute by our Member States.

These initiatives will support the development of competitiveness as we all work together to forge alliances that create synergies and a new effective single market and economy for the region, giving hope to our people for improved standards of living in the 21st Century.

In summary, agriculture's role in economic development must be reevaluated. The development model of the past, which focused mainly the urban development, should be reexamined, and our Institute is ready to assist the Caribbean countries in their efforts to develop the competitiveness of their agricultural sectors.

Thank you.

*The Importance of Agriculture and Agricultural Education in the Development of the Americas**

Introduction

I am delighted that we are taking this opportunity to meet and that I have the opportunity to present to you IICA's vision of the present and future challenges with regard to the global importance of agriculture and agricultural education in the development of the Americas.

The Inter-American Institute for Cooperation on Agriculture (IICA) is the specialized agency for agriculture of the Inter-American System, linked to the Organization of American States (OAS). Founded over 60 years ago, the current objectives of the Institute are to promote sustainable agricultural development, food security and prosperity in the rural communities of its 34 Member States in the Americas. The Institute is governed by the Inter-American Board of Agriculture, which is made up of the 34 ministers of agriculture of the Americas. In addition, it has 18 Permanent Observers, including several European countries, among which Spain is an Associate Member.

It is our view that agriculture must be viewed for what it is: the backbone of society and the cornerstone of all economies. For agriculture and rural development to take their rightful place in economic development, however, agriculture's real contribution to national development must be recognized by decision makers.

Official statistics often show agriculture as contributing single digit percentages to the gross domestic product (GDP). Our research suggests that when all the backward and forward linkages in the commodity chain are considered, agriculture's contribution to national development is significantly higher than the percentages reported in national statistics. The following table demonstrates this clearly.

**Gross Domestic Product and Value Added
Contribution to the GDP**

	AgGDP/GDP	GDP Extended Agriculture/GDP
Argentina	4.6 ⁰ %	32.2 ⁰ %
Brazil	4.3 ⁰ %	26.2 ⁰ %
Chile	5.6 ⁰ %	32.1 ⁰ %
Mexico	4.6 ⁰ %	24.5 ⁰ %
United States	0.7 ⁰ %	8.1 ⁰ %
Venezuela	4.0 ⁰ %	20.5 ⁰ %
Costa Rica	11.3 ⁰ %	32.5 ⁰ %

This under-estimation of the importance of food and agribusiness industries in economic development has resulted in a lack of

* Adapted from OAS (1994)

recognition of the contribution of agriculture and agricultural professionals to national development; under-financing of agricultural research, training and education; low interest in agribusiness as a profession among youth; under-financing of rural infrastructure and investment in the sector; an urban bias in the allocation of national resources; and the continued dependence of some countries of the Americas on imported food.

Within this context, we are convinced that the extended agricultural sector, which extends beyond the parameters of primary agricultural production, is crucial in the search for economic growth and rural welfare.

Agriculture contributes to three fundamental aspects of development: national food security, national social stability, and environmental protection for this and future generations. Agriculture is important for the promotion of rural prosperity because we can no longer accept the migration of the rural poor to cities as a solution for rural poverty. The associated social and economic difficulties continue to threaten social stability and the progress being made toward democratic governance. We must reverse this rural-to-urban drift.

The role of governments

The structural adjustment programs of the recent past produced a decline in the size and budgets of the ministries of agriculture in a number of the

countries of the hemisphere. The global scenario, however, requires that the State play a critical role in providing the regulatory and policy frameworks for agriculture, as well as support services such as rural infrastructure, land tenure security, training, research and extension, all of which are necessary for the development of competitive agriculture.

Forces of integration and hemispheric trade

Over the last decade or so, there has been a clear trend in the Americas to promote regional and hemispheric integration and trade in the hemisphere. The emergence of MERCOSUR, NAFTA, the G-3, the Andean Pact, the ACS, and the strengthening of CARICOM into a single market and economy, as well as efforts to build the Free Trade Area of the Americas (FTAA), all clearly express the destiny of this hemisphere to move towards integration.

Trade among the countries of the Americas has increased more significantly than has world trade. In the past decade, world trade has shown an annual increase of approximately 8%, while regional groupings in the Americas have recorded higher increases: 20% in the Andean Pact area, 12% in NAFTA and over 20% in CARICOM.

This trend suggests excellent prospects for regional trade in the future, and will underpin the formation of the Free Trade Area of the Americas.

Mandates of the 2001 Summit of the Americas

The Third Summit of the Americas, held in Quebec City, Canada, in 2001, produced a Declaration and a Plan of Action that clearly define the strategies and programs to be followed for creating greater economic prosperity, expanding economic opportunities, and strengthening international relations among the countries in the foreseeable future. The commitment to create the Free Trade Area of the Americas by 2005 underscores the need for ongoing dialogue and cooperation within the Inter-American System.

In both the Declaration and the Plan of Action, the Heads of State and Government of the Americas emphasized the importance of agriculture and rural life for strengthening democracy, creating prosperity and realizing the human potential of the peoples of the Americas.

The proposed Free Trade Area of the Americas will create a global market of some 800 million people. This market will provide unprecedented opportunities for trade in agricultural products and an opportunity to establish the largest agribusiness community in the world. Our hemisphere is emerging not only as the fastest growing sub-region of the world, but also as the sub-region with the greatest potential for future growth.

The agriculture of Latin America and the Caribbean in the 21st Century must be competitive: it must produce value-added

products, be environmentally sustainable and respond to the growing demand for processed convenience foods and organic products. Against this backdrop, agricultural development in the 21st Century must ensure a sound balance between food security and a protected environment.

The agriculture of the future will be increasingly multifunctional, heterogeneous, complex, knowledge-driven, technology-driven, market-oriented and adapted to available resources. The key factors driving this new agriculture will be the application of biotechnology and information technologies, as well as the globalization of markets, knowledge, education and consumer preferences.

The new agriculture must depend more and more on the capacity of competitive agribusinesses to market products that meet animal and plant health standards, as well as food safety and environmental regulations.

The success of this paradigm depends on technology, information and communication, training and education, promotion of value-added products, and the exchange of experiences.

Figure 1 shows that the new agriculture will be driven by global trade, based on agribusinesses that produce value-added products that meet agricultural health and food safety standards, while respecting the environment.

Figure 1. Agriculture and Technology



IICA's role in agriculture and rural development

I would now like to mention four strategies that IICA adopts to support efforts in this new scenario:

- It supports agro-industrial and agri-business development by promoting the use of new technologies and business principles in agricultural enterprises, with a view to promoting competitiveness and the development of a global agri-business environment. Agribusiness and rural enterprises have a critical role to play in the creation of prosperity, employment and economic growth in the hemisphere. Accordingly, IICA has a critical role to play in

providing training and in promoting the use of business principles, innovative technology, new information and communication systems in agricultural production and in agribusiness enterprises so as to increase their competitiveness in global markets.

- IICA supports the ministries of agriculture in their efforts to transform their roles, structure and functions so as to better equip them to face the new realities of globalization and State modernization. Ministries of agriculture and other institutions in the region are in the process of restructuring and refocusing their programs to cope with the new challenges of the global trade environment and the need for the agricultural sector to be efficient and competitive in a situation of budgetary cutbacks. IICA works to bring the experiences of other countries to the discussion table and to provide technical, policy and administrative support for the process of institutional modernization.
- IICA promotes sustainable development and the sustainable use of our natural resources for present and future generations. The sustainable use of natural resources is critical for prosperity and for the sustainability of rural life. IICA collaborates with other national, regional, hemispheric and international institutions to promote the sustainable use of natural resources. Critical aspects of this theme are deforestation, land degradation and water for agriculture.
- IICA also supports its Member States in enhancing the safety of food supplies. Non-trade issues such as food safety and agricultural health continue to be critically important for the process of

globalization and trade liberalization. The coordination of policy initiatives in support of strategies that address these issues is vital for the Member States. IICA therefore supports national and regional programs which focus on harmonizing approaches to food safety and the control of animal and plant pests and diseases that present barriers to trade and agricultural productivity. IICA also assists its Member States in modernizing their agricultural health organizations and operations so they can comply with their new international commitments under the WTO and other trade agreements.

Success in modernizing agriculture in the Americas and in developing the full potential of the rural sector will depend in large measure on leaders who can promote change and harness the vast potential of our countries by removing the anti-rural bias in development policy.

The new educational curriculum for sustainable agricultural development

Knowledge- and information-based economies and interconnected networks require a solid foundation of education and training. For this reason, I would like to speak briefly about a new agricultural education curriculum for sustainable agricultural development.

Educational institutions in the region have been slow in adjusting their curricula to new circumstances, which include: changing employment opportunities in agriculture, rapid scientific progress and technical change, increased awareness of environmental issues, increased awareness of gender issues and the role of women in agriculture, the

need to include population issues in agricultural education, and the need for an inter-disciplinary approach to agricultural education, research and extension.

There is a need to revisit the approach to education as a whole. Current research suggests that what we need today in a first-degree level agricultural graduate is greater understanding of business practices, the ability to communicate with diverse rural groups and to support these groups in collective problem solving, and the ability to assist small family farms advance from subsistence agriculture to commercial production. This requires a curriculum that uses practical examples to emphasize the holistic nature of the agricultural production process throughout the entire food chain and that exposes students to real life situations that are relevant to modern agriculture.

Agricultural education in the region must respond to the market's demand for graduates and must take national policies and strategies into account. The new curriculum must assist in unlocking the talent and creativity of the youth of our nations so that they can contribute to finding innovative solutions to the complex problems facing our world.

It must also provide an environment for collaborative efforts so that the new world of cooperation we want to build is inculcated in youth in the early stages of their development. Students must also be taught that leadership of others begins with leadership of self. The basic principles of integrity, impartiality, professionalism, flexibility, loyalty, prudence, responsibility and respect for others as human beings must be addressed in the new curriculum. Leadership of self precedes leadership of others.

IICA's strategy for agricultural education

In this context, our Institute has developed a strategy for strengthening education and training in agriculture. It has four components:

- Contribute to the modernization of higher and vocational agricultural education centers, agricultural training systems and institutions in order to improve the relevance and quality of their products.
- Support training programs for the agribusiness community and for the staff of public and private agricultural organizations in order to strengthen their competitive capabilities and improve their position in international markets.
- Systematize and disseminate experiences on the modernization of agricultural education and training, and strengthen horizontal cooperation.
- Form part of the World Bank's Global Development Learning Network that specializes in agriculture.

A new development agenda for IICA

It is our view that modernization of the agricultural sector and sustainable rural development are critically important for achieving the Millennium Development Goal of reducing poverty by 50% by the year 2015.

We must examine the potential in rural communities for rural services, crafts, agro tourism, forest products, transportation, food processing, marketing, input supplies and output related services.

According to IFPRI "the abundance and diversity of the region's (referring to Latin America and the Caribbean) agricultural and natural resources provide the region with a comparative advantage to compete in world markets and generate broad-based growth throughout the economy."

However, that growth will only be realized if we adopt a more relevant development model that facilitates increased investment in the rural areas so as to assure a more sustainable development of agriculture and greater prosperity in the rural economy. Such a model should include an institutional framework that promotes cooperation and convergence of the State and civil society. This should be considered within the framework of a market economy that seeks more extensive and transparent actions. That, in turn, demands a new role for public, private and international organizations.

It is therefore necessary to adopt a new development model that facilitates: i) better rural-urban balance through integral development of both urban and rural areas; ii) greater investments in rural areas essential for ensuring social and political stability, promoting the competitiveness of agriculture and rural economic activities, and creating rural agricultural and non-agricultural employment that supports an acceptable level of livelihood in rural areas; and iii) productivity increases and an expansion in food supply to meet the growing food needs and market requirements.

Furthermore, it is necessary that appropriate policies and strategies be adopted to: i) increase investments in the rural sector so as to facilitate the profitable and sustainable use of natural resources; ii)

support investments in infrastructure and services that will make both agriculture and non-agricultural activities in rural areas competitive, profitable and sustainable; and iii) support investment for the development of human capital in the rural sector (rural education) so as to increase the skills of the population and improve their standard of living.

In light of the challenges facing agriculture and rural life, a new institutional framework to transform rural isolation into a network of global prosperity will be needed. The mechanism to implement this strategy is a hemispheric platform of cooperation that promotes dialogue; strengthens and expands alliances with strategic partners; and promotes an increased flow of investments into agriculture and the rural economy.

The aim of this hemispheric platform is to permit the stakeholders in agriculture to take advantage of hemispheric and global knowledge and, at the same time, influence hemispheric and global levels to the needs at the local and national levels.

I believe that establishing a hemispheric platform to link these different levels of action provides an opportunity to link the community of agriculture and rural life with the global society of knowledge; develop new styles of cooperation among international organizations and countries; and mobilize national and international resources for investing in agriculture and rural communities.

The Institute proposes to use the following instruments to promote prosperity in the rural sector: i) develop strategic relationships with the Member States so as to facilitate a better identification of their needs in the rural sector; ii) develop strategic partnerships with the international financial community; iii) promote trade capacity building; iv) foster agribusiness development and forge closer linkages with the private sector; v) contribute to improving education and training for modernization of the rural economy; vi) further horizontal technical cooperation among the countries; vii) advance sustainable community development; and viii) promote protection of the environment.

In conclusion, allow me to thank you for giving me the opportunity to speak on the global importance of agriculture and agricultural education to development in the Americas and the need to adapt to changing times.

Let me end by quoting some familiar words: "Only the educated are free." We must continue to invest in the education of our people and so open the windows of opportunity, providing rays of hope for this and future generations so that they can look to new horizons and aspire to progress. They must be able to dream dreams of greatness and have the tools to achieve their aspirations. Only then will we guarantee the continued progress of our nations and a world of social equity.

Thank you.

*The Importance of Science and Technology for Agriculture in Latin America and the Caribbean**

I would like to thank you for inviting me to attend this very important meeting and for the opportunity to participate on this panel to discuss agricultural science and technology in Latin America and the Caribbean, as part of the Second Biennial International Conference on Agriculture Science and Technology. It is a great pleasure and honour to be here.

I am delighted to have this opportunity to present a brief overview of the performance of agriculture in Latin America and the Caribbean (LAC), from the technological perspective. I would also like to use this time to examine regional research capabilities and conclude with some considerations on the future of research, from the perspective of the Inter-American Institute for Cooperation on Agriculture (IICA), which I have had the privilege to lead since January of last year.

For those of you who aren't familiar with our Institute, I would first like to say a few words about IICA and the role it plays in the hemisphere.

The Inter-American Institute for Cooperation on Agriculture (IICA) is the specialized agency for agriculture of the Inter-American System, linked to the Organization of American States (OAS). Founded over 60 years ago, the current objectives of the

Institute are to promote sustainable agricultural development, food security and prosperity in the rural communities of its 34 Member States in the Americas. The Institute is governed by the Inter-American Board of Agriculture, which is made up of the 34 ministers of agriculture of the Americas. In addition, it has 18 Permanent Observers, including several European countries, and Spain, which is an Associate Member.

With the support of public and private national and international organizations, IICA pursues its objectives through six strategic areas of action: Trade and Agribusiness Development, Technology and Innovation, Agricultural Health and Food Safety, Sustainable Rural Development, Information and Communication, and Education and Training.

It is our view that agriculture must be viewed for what it is: the bedrock of society and the cornerstone of all economies. However, for agriculture and rural development to take their rightful place in economic development, the real contribution of agriculture to national development must be recognized by decision makers.

Official statistics often show agriculture as contributing single digit percentages to the gross domestic product (GDP). Our research

* Second Biennial International Conference on Agriculture Science and Technology. Texas, United States of America. October 12-15

suggests that when all the backward and forward linkages in the commodity chain are considered, agriculture's contribution to national development is significantly higher than the percentages reported in national statistics. The following table demonstrates this clearly.

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Costa Rica	11,3%	32,5%
Mexico	4,6%	24,5%
United States	0,7%	8,1%

This under-estimation of the importance of food and agribusiness industries in economic development has resulted in a lack of recognition of the contribution of agriculture and agricultural professionals to national development; under-financing of agricultural research, training and education; low interest in agribusiness as a profession among youth; under-financing of rural infrastructure and investment in the sector; an urban bias in the allocation of national resources; and the continued dependence of some countries of the Americas on imported food.

Within this context, we are convinced that the extended agricultural sector, which extends beyond the parameters of primary agricultural production, is crucial in the search for economic growth and rural welfare.

Agriculture contributes to three fundamental aspects of development: national food security, national social stability, and environmental protection for this and future generations. Agriculture is important for the promotion of rural prosperity because we can no longer accept the migration of the rural poor to cities as a solution for rural poverty. The associated social and economic difficulties continue to threaten social stability and the progress being made toward democratic governance. We must reverse this rural-to-urban drift.

Forces of integration and hemispheric trade

Over the last decade or so, there has been a clear trend in the Americas to promote regional and hemispheric integration and trade in the hemisphere. The emergence of MERCOSUR, NAFTA, the G-3, the Andean Pact, the ACS, and the strengthening of CARICOM into a single market and economy, as well as efforts to build the Free Trade Area of the Americas (FTAA), all clearly express the destiny of this hemisphere to move towards integration.

Trade among the countries of the Americas has increased more significantly than has world trade. In the past decade, world trade has shown an annual increase of approximately 8%, while regional

groupings in the Americas have recorded higher increases: 20% in the Andean Pact area, 12% in NAFTA and over 20% in CARICOM.

This trend suggests excellent prospects for regional trade in the future, and will underpin the formation of the Free Trade Area of the Americas.

Mandates of the 2001 Summit of the Americas

The Third Summit of the Americas, held in Quebec City, Canada, in 2001, produced a Declaration and a Plan of Action that clearly define the strategies and programs to be followed for creating greater economic prosperity, expanding economic opportunities, and strengthening international relations among the countries in the foreseeable future. The commitment to create the Free Trade Area of the Americas by 2005 underscores the need for ongoing dialogue and cooperation within the Inter-American System.

In both the Declaration and the Plan of Action, the Heads of State and Government of the Americas emphasized the importance of agriculture and rural life for strengthening democracy, creating prosperity and realizing the human potential of the peoples of the Americas.

The proposed Free Trade Area of the Americas will create a global market of some 800 million people. This market will provide unprecedented opportunities for trade in agricultural products and an

opportunity to establish the largest agribusiness community in the world. Our hemisphere is emerging not only as the fastest growing sub-region of the world, but also as the sub-region with the greatest potential for future growth.

The agriculture of Latin America and the Caribbean in the 21st Century must be competitive: it must produce value-added products, be environmentally sustainable and respond to the growing demand for processed convenience foods and organic products. Against this backdrop, agricultural development in the 21st Century must ensure a sound balance between food security and a protected environment.

The agriculture of the future will be increasingly multifunctional, heterogeneous, complex, knowledge-driven, technology-driven, market-oriented and adapted to available resources. The key factors driving this new agriculture will be the application of biotechnology and information technologies, as well as the globalization of markets, knowledge, education and consumer preferences.

The new agriculture must depend more and more on the capacity of competitive agribusinesses to market products that meet animal and plant health standards, as well as food safety and environmental regulations.

The success of this paradigm depends on technology, information and communication, training and education, promotion of value-added products, and the exchange of experiences. (Figure 1)

Figure 1. Agriculture and Technology



This figure shows that the new agriculture will be driven by global trade, based on agribusinesses that produce value-added products that meet agricultural health and food safety standards, while respecting the environment.

IICA's role in agriculture and rural development

I would now like to mention four strategies that IICA pursues to support efforts in this new scenario:

- It supports agro-industrial and agri-business development by promoting the use of new technologies and business principles in

agricultural enterprises, with a view to promoting competitiveness and the development of a global agri-business environment. Agribusiness and rural enterprises have a critical role to play in the creation of prosperity, employment and economic growth in the hemisphere. Accordingly, IICA has a critical role to play in providing training and in promoting the use of business principles, innovative technology, new information and communication systems in agricultural production and in agribusiness enterprises so as to increase their competitiveness in global markets.

- IICA supports the ministries of agriculture in their efforts to transform their roles, structure and functions so as to better equip them to face the new realities of globalization and State modernization. Ministries of agriculture and other institutions in the region are in the process of restructuring and refocusing their programs to cope with the new challenges of the global trade environment and the need for the agricultural sector to be efficient and competitive in a situation of budgetary cutbacks. IICA works to bring the experiences of other countries to the discussion table and to provide technical, policy and administrative support for the process of institutional modernization.
- IICA promotes sustainable development and the sustainable use of our natural resources for present and future generations. The sustainable use of natural resources is critical for prosperity and for the sustainability of rural life. IICA collaborates with other national, regional, hemispheric and international institutions to promote the sustainable use of natural resources. Critical aspects of this theme are deforestation, land degradation and water for agriculture.

- IICA also supports its Member States in enhancing the safety of food supplies. Non-trade issues such as food safety and agricultural health continue to be critically important for the process of globalization and trade liberalization. The coordination of policy initiatives in support of strategies that address these issues is vital for the Member States. IICA therefore supports national and regional programs which focus on harmonizing approaches to food safety and the control of animal and plant pests and diseases that present barriers to trade and agricultural productivity. IICA also assists its Member States in modernizing their agricultural health organizations and operations so they can comply with their new international commitments under the WTO and other trade agreements.

Success in modernizing agriculture in the Americas and in developing the full potential of the rural sector will depend in large measure on leaders who can promote change and harness the vast potential of our countries by removing the anti-rural bias in development policy.

Agricultural performance in the region, from the technological perspective

With this overview of the current situation of the agricultural and rural sectors in the Americas and of IICA's role in the hemisphere, I would like to continue on with a more specific discussion of agricultural performance in Latin America and the Caribbean, from the technological perspective.

Several special situations deserve our attention:

- a) Agriculture's production capacity in Latin America and the Caribbean has been increasing significantly in recent years, amounting to a nearly 15% increase during the 1993-2000 period. As a result, agriculture's contribution to the generation of foreign exchange has risen steadily. On average, in the years 2000 and 2001, it reached nearly US\$50 billion annually in Latin America and the Caribbean, as compared to around US\$80 billion annually in Canada and the United States.

As agriculture has progressed in Latin America and the Caribbean, its impact on the rest of the economy has increased significantly. Specialists estimate that on average, each additional dollar produced in agriculture in the region generates four additional dollars in the economy.

- b) Parallel to this important economic growth, the structure of agricultural production is undergoing substantial change, moving toward a level of specialization that is enabling the region to better tap its comparative natural advantages in international markets.

A comparison of the situation today with that of 20 years ago shows that the region now has over 34 million additional acres planted to temperate and subtropical crops (especially soybeans and sunflowers) and close to 10 million additional acres in tropical crops (primarily coffee, sugar cane and fruit trees). This is approximately equivalent to the size of the state of Washington.

In line with this change, in the past two decades, 72.8% of the increases in agricultural exports from Latin America and the Caribbean have been in fruits and vegetables, soybeans, vegetable oils and meat, representing additional revenues of US\$14 billion for the region.

Despite this good news, the following must be said:

- a) Although significant agricultural growth has been achieved, it is still insufficient, particularly in terms of the production of staple foods, which, on average, is growing slower than the population. Moreover, coffee and cocoa, two important tropical industrial crops, are facing increasing difficulties and deserve special attention.
- b) Overall, the land-use situation is not very favourable, as the savings realized in agricultural lands through productivity increases have been exceeded by the new lands incorporated into production, which further reduces reserves for the future.

The special advantage we had in the past, of abundant reserves of agricultural lands, seems to have come to an end and our situation today is similar to that of other continents. Now, the per capita availability of agricultural land in Latin America and the Caribbean is just 3.7 acres, as compared to the 6 acres available in 1965.

Furthermore, an aggregate accounting of lands devoted to annual and permanent crops and pastures suggests that we are

close to using the total frontier of agricultural land available in Latin America and the Caribbean, which is estimated by some at nearly 188 million acres.

- c) Aside from a few exceptions, productivity increases have been negligible for a large number of the products that have seen substantial growth in output and exports (primarily fruits and vegetables).

This overview clearly demonstrates that the agriculture of the future requires significant improvements in production efficiency, as well as a more appropriate use of natural resources. In this equation, the key variable is "technology." We must accelerate the incorporation of knowledge in the rural sector, which means that we have to look more carefully at the region's capacity to adopt or develop useful knowledge and to acquire and/or negotiate access to foreign technologies.

Institutional capabilities for research and technology development in the region

With regard to the region's institutional capabilities for research and technology development, we can say is that there is an important institutional framework for same in Latin America and the Caribbean.

The Regional Forum on Agricultural Research and Technology Development (FORAGRO) is a mechanism that facilitates and fosters

dialogue and cooperation among the countries of the region with a view to promoting promote integration in this field. Its work is aimed at achieving a type of agricultural development that is competitive and sustainable, in keeping with the scientific and technological challenges of the new century and with the growing demands of an extended and changing agricultural sector. Every year, FORAGRO brings together all the public and private stakeholders of the region's institutional framework for research, for the purpose of analyzing substantive problems in agriculture and discussing policy options for addressing same through science and technology.

In addition, the Regional Agricultural Technology Fund (FONTAGRO) was recently established by a large number of countries, with the support of the Inter-American Development Bank (IDB) and IICA. It funds research projects dealing with strategic topics of common interest.

A sizable number of international research centers affiliated with the Consultative Group on International Agricultural Research (CGIAR) are also at work in the region, as are two important research centers of regional scope: in Central America, the Tropical Agricultural Research and Higher Education Centre, better known as CATIE, and in the Caribbean, the Caribbean Agricultural Research and Development Institute (CARDI).

To complete this regional panorama, for several decades now IICA has helped the countries develop an important number of cooperative regional agricultural research programs, which we call the "Procis" and which today cover the entire hemisphere.

Underpinning this system are the countries' agricultural research and technology development systems, which together invest annually around US\$1 billion; the entire system involves between 12,000 and 15,000 researchers.

Development of this formidable institutional machinery began in the early 1960s. It has been successful in finding technological solutions for the rural sector, and for several decades now, its results have significantly improved the production outlook for many crops. Numerous studies on the rates of return on these investments in regional research have amply demonstrated that returns to farmers have often amounted to more than the value of the research budgets. It has demonstrated that investments in science and technology, in this case for agricultural development, are one of the best, if not the best, investment a country can make.

However, this institutional framework, which is public for the most part, is under considerable pressure to change. On the one hand, changes in agriculture have generated a demand for new technologies; on the other, sharp cutbacks in public budgets have frequently resulted in severe reductions in research capacities. For its part, private sector contributions amount, at most, to between 10 and 15% of total investments in research and technology development in the region.

Many Latin American and Caribbean countries fall below the world average of investments in research, which are measured as the proportion of expenditures in research compared to the total value of agricultural production. The only four exceptions are Brazil, Chile,

Uruguay, and Antigua and Barbuda. In order to reach the world average level, the region must, at the very least, double current investments in research to arrive at an annual figure of close to US\$1.85 billion. Not doing so will mean continuing in a situation of serious underinvestment that will surely influence not only the region's production capabilities, but also its competitiveness in international trade.

Some thoughts on the future of agricultural research in Latin America and the Caribbean

I would like to conclude this presentation with some thoughts on the future of agricultural research in Latin America and the Caribbean.

Although in absolute terms the region has shown positive results in agriculture, in relative terms its situation is not very favourable. If we take Latin America and the Caribbean's share in world agricultural

exports, we note that in the 1960s its share was 15.0%, while in the 1990s its share had fallen by 4 percentage points to 11.0%.

So while it is important to highlight that agriculture has indeed grown, this growth hasn't been enough to contribute fully to economic development in the region. As I mentioned earlier, to grow more, it is necessary to modernize the business of agriculture and to undertake a new effort to strengthen the institutional framework for research. IICA will continue its support for institutional modernization processes presently under way and facilitate a sharing of successful experiences among countries with similar conditions.

Only by increasing public and private investments in research and development will the Latin American and Caribbean countries be in a position to address the priorities of developing competitive agribusinesses and improving social and economic conditions for their populations.

Thank you very much.

*Lunch with Ambassadors of the Member States, Permanent Observers and Associate State of the Institute accredited in Costa Rica**

On behalf of the Institute, and personally, allow me to express our gratitude for your presence here today, in the House of Agriculture of the Americas.

Two weeks ago we celebrated IICA's 61st anniversary. At that time, we sent greetings to the community of agriculture of our Member States, to our Associate State and to our Permanent Observers.

One year ago, when we commemorated IICA's 60th anniversary, leaders and other members of the agricultural sector, as well as representatives of the private sector, praised the significant contributions the Institute has made to agriculture in the hemisphere throughout the years.

Today, we are on the threshold to the Second Ministerial Meeting on Agriculture and Rural Life in the hemisphere. On that occasion, the Institute, for the second time, will serve as Secretariat of the Ministerial Meetings on Agriculture in fulfillment of the mandates issued at the Third Summit of the Americas, held in Quebec City in 2001.

At that meeting, the ministers will set the course for agriculture for the 2003 to 2015 period.

The Institute views this ministerial meeting as an historic opportunity to demonstrate to the Heads of State and Government that we are serious about complying with their mandates. It behooves us to hold a productive meeting, in order to show the community of agriculture and rural life of the Americas that we are aware of the opportunity that was afforded us at the Quebec summit.

The meeting will comprise five segments:

- The steps the Institute has taken to comply with the mandates contained in the Bavaro Declaration, presented by the Director General.
- A brief description of the desired socioeconomic context for agriculture and rural life in the future, presented by renowned world leaders.
- Our vision of agriculture and rural life for 2015, and what can be expected if the current situation remains unchanged. Participants will discuss which gaps, in terms of development, must be closed.

* Institute Headquarters, October 23

- The results of consultations with the ministers of agriculture, which point to the need to focus our efforts on the areas of trade, food security, biotechnology and rural prosperity.
- By the time it is presented at the Ministerial Meeting, agreement should already have been reached on the Plan of Action for implementing the mandates of the Summits. This document is the result of the work of the ministerial delegates, and will make it possible for the ministers to adopt and sign same at the Second Ministerial Meeting. The focus of the discussions of the ministers will be to exchange experiences and ideas on how to proceed.

A very important task that lies ahead is to ensure that the role of agriculture and rural life is recognized as being of strategic importance in achieving a balance between the rural and urban milieus. This balance is essential for promoting the integral development of our countries, and contributing to achieving the Millennium Development Goal of reducing extreme poverty and hunger by half by the year 2015.

The international organizations identified by the Heads of State and Government as institutional partners in the Summit of the Americas process, as well as other organizations, have been invited to participate in the Ministerial Meeting.

At the meeting of the Inter-American Board of Agriculture, which will immediately follow the Ministerial Meeting, we will report on the institutional changes being effected to modernize IICA and continue to strengthen its position as an institutional partner in the Summit of the Americas process. We look forward to the cooperation of all stakeholders in this noble endeavor.

I wish to express special thanks to the government and people of Panama for hosting the meeting, and to all the governments of the countries of the Americas for their cooperation with and support of the Institute.

Thank you again for accompanying us today and, on behalf of the Institute, I invite you to join me in a toast.

Thank you very much.

*Second Ministerial Meeting on Agriculture
and Rural Life in the Americas*

*Inaugural Reception**

On behalf of the Institute, and personally, I want to thank you for accompanying us on this very special occasion.

Today, it has been my honor to participate with the ministers of agriculture of the Americas, and with Her Excellency Mrs. Mireya Moscoso, President of the Republic of Panama, in the inauguration of the Second Ministerial Meeting on Agriculture and Rural Life in the hemisphere, in which, for the second time, the Institute is serving as Secretariat of the Ministerial Meetings on Agriculture in fulfillment of the mandates issued at the Third Summit of the Americas, held in Quebec City in 2001.

Today is a very important day for the future of agriculture in the hemisphere; during this meeting, the ministers will set the course for agriculture for the 2003 to 2015 period.

This meeting will provide the ministers with an opportunity to continue their reflections on the progress that has been made and the hurdles yet to be overcome in improving agriculture and rural life in the Americas, and to discuss the experiences of their respective countries in the development of medium- and long-term strategies.

The ministers have come to Panama to conclude a broad-based process of consultation and consensus building among the key stakeholders in agriculture, which led to the preparation of the national and regional agendas and the hemispheric agenda that will guide the Institute's actions in our member countries.

The Institute views this ministerial meeting as an historic opportunity to demonstrate to the Heads of State and Government that we are serious about complying with their mandates.

IICA is committed to showing the community of agriculture and rural life of the Americas that we are aware of the opportunity that was afforded us at the Quebec summit.

One important task that lies ahead is to ensure that the role of agriculture and rural life is recognized as being of strategic importance in achieving a balance between the rural and urban milieus.

This balance is essential for promoting the integral development of our countries, and contributing to achieving the Millennium Development Goal of reducing extreme poverty and hunger by half by the year 2015.

* Panama City, Panama, November 10

At the meeting of the Inter-American Board of Agriculture, which will immediately follow the ministerial meeting, we will report on the institutional changes being effected to modernize IICA and continue to strengthen its position as an institutional partner in the Summit of the Americas process. We look forward to the cooperation of all stakeholders in this noble endeavor.

I want to express our profound gratitude to each and every minister of agriculture of the hemisphere present here today. Your leadership in joint actions with the key stakeholders in agriculture has helped consolidate the Ministerial Meetings on Agriculture and Rural Life as

the primary ministerial forum on agricultural issues in the context of the Summit of the Americas process, and as a source of guidance for the actions and projects of the institute.

Also, I wish to express special thanks to the government and people of Panama for opening their doors to host this meeting, and to all the governments of the countries of the Americas for their cooperation with and support of the Institute throughout its 61 years of work on behalf of agriculture and rural life in the Americas.

Thank you very much.

*Second Ministerial Meeting on Agriculture
and Rural Life in the Americas*

Inaugural Session

Good morning. Buenos días. Bom dia. Bonjour.

On behalf of the Inter-American Institute for Cooperation on Agriculture, and on my own behalf, I cordially welcome you to the Twelfth Regular Meeting of the Inter-American Board of Agriculture and the Second Ministerial Meeting on Agriculture and Rural Life in the Americas.

Allow me to take this opportunity to thank the government and people of Panama for their warm welcome to this beautiful country. Your generosity in hosting these two meetings clearly demonstrates your solidarity and support for the principles and values of international organizations.

Madam President, your presence here today and the presence of officials of your government is a clear indication of the importance that Panama attaches to agriculture, rural development, the ministerial dialogues and the Institute itself, as an instrument of cooperation in the Inter-American System.

We meet in a country of friendly and hospitable people, which has a canal that serves the world. Panama is a country of rich cultural

diversity, including indigenous cultures and people of African descent, abundant flora and fauna, and 100 years of independence. It is also the geographical link between the nations of the north and the nations of the south of our hemisphere.

Madam President, our Institute and the hemisphere salute you and your people on this historic occasion.

I am very honored to say that I feel very connected to this country both spiritually and historically, as my grandfather, George Merritt, was one of many who came here from the English-speaking Caribbean in the early part of the twentieth century to assist in building the Panama Canal. May he rest in peace.

The leaders of agriculture of the Americas meet today to revisit the dream of that great apostle of freedom and hemispheric integration, Simon Bolivar, who in 1815 wrote in his famous letter from Jamaica:

"More than anyone else, I desire to see America fashioned into the greatest nation in the world, greatest not so much by virtue of her area and wealth as by her freedom and glory."

* Panama City, Panama. November 11

It is in this spirit of hemispheric solidarity that we meet today.

Today marks 668 days since I took the oath of office as Director General of the Institute for the 2002-2006 period, in accordance with the decision taken by the Member States in Bavaro, Dominican Republic on November 26, 2001.

Today, I wish to take this opportunity to again thank the Member States for the confidence they have placed in me and to provide an update on the principal achievements of the first two years of my administration for complying with the mandates of Quebec and Bavaro, and regarding the commitments I made during my acceptance and inaugural addresses to the community of agriculture of the Americas.

Before presenting my report, however, it seems appropriate to reflect on the current state of the rural sector of the countries of Latin America and the Caribbean and the role of our Institute in the development process.

We meet at a time when there is a renewed push to improve agriculture and rural life in the countries of the Americas in response to a mandate from our Heads of State and Government. Meeting in Quebec City in April 2001, they launched a process that marks an unprecedented milestone in efforts to reposition agriculture and rural life in this hemisphere.

Our political leaders recognized the strategic importance of agriculture in our societies, considering that it is a way of life for millions of rural families in the hemisphere, it plays a major role in the creation of prosperity, and it is a strategic sector of our socioeconomic systems.

They also recognized the urgent need to develop the region's great potential for creating prosperity in the countryside in a manner compatible with sustainable development.

The ministers of agriculture met in Bavaro, Dominican Republic in November 2001 at the First Ministerial Meeting on Agriculture and Rural Life. Cognizant that we are at a turning point for agriculture and rural life in this hemisphere, they issued the Declaration of Bavaro for the Improvement of Agriculture and Rural life in the Americas. They recognized that agriculture needs to position itself within the new economy of information and knowledge, of globalization and integration, and of interconnected networks. This new economy is gaining momentum, generating opportunities for some and, at the same time, creating more inequality for others.

Today, the most serious challenge for the economies of Latin America and the Caribbean is poverty and income inequality. In spite of the progress made in democratization in the region, improvements in per capita incomes, increased life expectancy, and greater access to clean water, 177 million people or 39% of the population in this hemisphere still live in poverty. More than half of this population lives in rural areas. This poverty is expressed in unemployment, poor nutrition, violent crime, increasing in anti-social and illegal activities, and the production of and trafficking in illicit drugs. Clearly, persistent poverty can be a serious threat to national social stability and the processes of democratic governance. Sustainable growth of the rural sector holds the most important promise for alleviating rural poverty in our countries.

The daily migration of the rural poor from the rural areas to the cities of our hemisphere is converting rural poverty into urban poverty. This

is creating social conditions in our cities that are becoming unmanageable. We are convinced that the rural to urban drift must be contained and this can only be achieved by creating rural employment through greater investment in the rural economy.

We believe rural development efforts must focus on increasing investments in agriculture and non-agricultural activities, under competitive and sustainable conditions. This must be coupled with adequate infrastructure that integrates the agricultural sector with the rest of the economy and an active policy for technology generation and transfer. Only in this way will a platform for economic growth be created that can solve the problems of rural and urban poverty. This, in turn, can only be possible with a liberalization of international trade, the elimination of distortions and fair prices for agricultural products, to permit a more equitable distribution of income in developing economies.

A recent report by the Economic Commission for Latin America and the Caribbean (ECLAC) indicates that the level of rural poverty in Latin America and the Caribbean in 1997 was the same as that reported in 1990, which suggests that current rural poverty alleviation strategies are inadequate for addressing current problems.

We believe that the economies of the newly emerging democracies will be challenged and democratic institutions undermined unless we invest in the people of the rural sector of our countries.

We believe, however, that growth in the rural economy will only become a reality if we adopt a more relevant development model that facilitates increased investment in rural areas so as to ensure a more sustainable development of agriculture and greater prosperity in rural

economies. This model should include an institutional framework that promotes greater cooperation between the State and civil society and takes into account a more transparent market economy in which new roles are played by the public sector, the private sector and international organizations.

In light of the challenges facing agriculture and rural life in the Americas, we believe that we need a new institutional and policy framework to transform rural isolation into a network of global prosperity. In our opinion, the mechanisms required for implementing this strategy are: i) a hemispheric platform of cooperation that strengthens regional integration and facilitates the participation of the agricultural sector of our countries in the global economy; ii) provisions for increased investments in the rural economy; iii) removal of the anti-rural bias in policy development; and iv) the incorporation of new technologies in agriculture.

This hemispheric platform should promote dialogue and the exchange of experiences, facilitate trade agreements, and provide the technical and policy support required to make the agricultural sector competitive while facilitating agricultural trade, agribusiness development and food safety, based on sound science-based rules. With offices in 34 Member States of the hemisphere and 61 years of experience in agricultural development, our Institute is ideally suited to form the basis for this hemispheric platform of cooperation.

The proposed Free Trade Area of the Americas (FTAA), which has the potential to create a single hemispheric market of 800 million people and a capital market of some 14 trillion dollars, offers to the countries of the Americas both challenges and opportunities. The concept of a new inter-American economy in which no country is constrained by its

geographic size but has the potential to create enterprises that can operate in the new regional, hemispheric and global environment is an exciting possibility for development in our countries. This global market will provide the largest agribusiness community in the world.

After the events at Cancun, we must return to the negotiating table. While the application of technological innovations is an important factor for boosting the competitiveness of agriculture and its contribution to poverty alleviation, we are also aware that a global agreement on agricultural trade is critically important for the future of agriculture in the Americas and for world peace and prosperity.

Social justice and equity must prevail so that when the doors open on globalization, large countries and small countries alike are able to partake at the table of global prosperity. All farmers of the hemisphere should benefit from globalization.

However, this goal will only become a reality if globalization and trade liberalization are controlled and regulated by transparent, science-based rules, with instruments and institutions to provide for the equitable distribution of the benefits of the new global economy. In this connection, the concerns expressed for the treatment of small economies, the environment, and the fate of those who may be marginalized by the process, are relevant.

The small economies of the region, which are struggling with the twin challenges of the elimination of poverty and the promotion of sustainable economic development, must be assisted in their efforts to integrate into the global economy. The networking and benchmarking of institutions in the hemisphere to share experiences and learn from each other is important.

Given the mandates received in Quebec and Bavaro, IICA must embrace greater social responsibility and a development agenda that allows it to play a more dynamic and strategic role in the promotion of prosperity in the rural communities of the Americas.

That role must take us beyond the traditional support to agricultural production and must make us partners in the development process to increase the competitiveness of the entire agrifood chain and foster linkages between the chain and other sub-sectors such as tourism, health, nutrition, infrastructure, education and the environment.

Our national agendas must take a holistic, integrated approach that reflects the demands of the national agricultural community and national circumstances and links macro-policy with territorial reality.

Given this expanded mandate, a close relationship with strategic development partners at the national, regional and global levels becomes very important for our work and we must continue to strengthen our strategic partnerships as part of the new development agenda.

The agreements we have signed with the Food and Agriculture Organization (FAO), the Pan American Health Organization (PAHO), and the Economic Commission for Latin America and the Caribbean (ECLAC) are all part of this strategy. The appointment of portfolio managers to work with the World Bank and the Inter-American Development Bank is also part of this strategic approach.

IICA's future work and efforts will not focus on narrow scientific issues, but will embrace the wider aspects of our contribution to society and to development.

Such themes will include the Institute's contribution to food security and rural prosperity through its efforts in support to: i) promote hemispheric and regional integration; ii) boost competitiveness and global trade; iii) strengthen rural communities; iv) promote food safety and agricultural health; v) develop human capital; vi) foster environmental management, and vii) further institutional modernization.

We must refocus our initiatives and redouble our efforts to embrace this development agenda while respecting our core business of promoting an agricultural sector that is competitive, technology prepared, environmentally managed and socially equitable for the peoples of the Americas. This will ensure that the Institute attains the new level of maturity that our Member States demand and deserve.

Pursuant to the mandates received in Quebec and Bavaro, IICA is moving forward to become a modern organization that is better equipped to face the challenges of the 21st Century.

Professional competence, dedication to service, flexibility, sensitivity and adjustment to the national regional and hemispheric needs of our Member States will enable our Institute to become a significant partner in the development process of the Americas.

However, success in modernizing agriculture in the Americas and in developing the full potential of the rural sector will depend in large measure on leaders who can promote change and harness the vast potential of the countries by helping to remove the anti-rural bias in development policy.

Achievement of the Millennium Development Goals of reducing poverty by 50% in 2015, promoting rural prosperity and facilitating inter-institutional cooperation is a responsibility shared by us all.

Madam President, Honorable Ministers, distinguished guests, ladies and gentlemen: a recent report indicates that every day, 16,000 people of this world die from hunger and starvation.

I feel their pain and their suffering.

Their suffering can only be overcome with the political determination to engage in a war on poverty – a war to help those who cannot help themselves.

I speak for the poor of Central America. I speak for the poor of the Caribbean. I speak for the poor in the Andean countries, the poor of North America and the poor of the South. Our world has the resources. Our world must find the way to forge that coalition of national, regional and international efforts that circumstances demand. We must not miss the great opportunity to conquer hunger and poverty by neglect. We must permit the rural poor to enjoy the freedoms that we enjoy ... a better world is possible.

Let us work together in this meeting and in the hemisphere towards the achievement of these noble goals.

Thank you. Gracias. Merci. Obrigado.

Presentation at the Second Ministerial Meeting on Agriculture and Rural Life in the Americas

Principal Presentation

Introduction

It is a privilege for me to present a brief overview of the work implemented by the Institute since the meeting in Bavaro.

The Second Ministerial Meeting on Agriculture and Rural Life in the Americas being held today is the principal hemispheric mechanism for analysis and decision-making in our efforts to promote the sustainable development of agriculture in our hemisphere. Three main outputs are expected from the meeting: the AGRO 2003-2015 Plan of Action for Agriculture and Rural Life in the Americas; a strategy for implementing and providing follow-up to the plan; and a common hemispheric understanding on strategic topics, including strategies for the promotion of trade, the use of biotechnology and the promotion of rural prosperity in the Americas.

The mandates issued at the Third Summit of the Americas in Quebec and the Declaration of Bavaro served as the basis for the Institute's 2002-2006 Medium Term Plan. My proposal for repositioning the Institute to meet the challenges of agriculture in the 21st century also proved to be an important input in defining our strategic direction.

At the Third Inter-American Summit (Quebec, Canada, April 2001), the Heads of State and Government of the Americas asked their ministers of agriculture to promote, at their next meetings, joint

actions among all the stakeholders of the agricultural sector for improving agriculture and rural life.

In compliance with that mandate, and supported by IICA, in June 2001 the ministers of agriculture initiated a broad participatory process of consultation and open dialogue with all the actors of the agricultural sector, to formulate strategic guidelines for a shared agenda for the improvement of the community of agriculture and rural life.

This process culminated with the First Ministerial Meeting on Agriculture and Rural Life under the umbrella of the Summit of the Americas process, held in November 2001, in Bavaro, Dominican Republic. At that meeting, the ministers adopted the Declaration of Bavaro for the Improvement of Agriculture and Rural Life in the Americas.

In it, they urged IICA and other partner institutions in the Summit of the Americas process, and those comprising the Interagency Group for Rural Development in Latin America and the Caribbean, to focus technical and financial cooperation on supporting agriculture and rural life.

This report summarizes the principal activities undertaken by the Institute since then to promote the improvement of agriculture and rural life in its Member States and to support the essential considerations and intentions expressed by the ministers in the Bavaro Declaration.

* Panama City, Panama, November 12

The activities described are related to the following seven strategic objectives of the Institute: to facilitate integration and hemispheric cooperation; to facilitate competitiveness and global trade; to promote sustainable rural development and rural prosperity; to promote agricultural health, food quality and food safety; to reduce the knowledge divide and develop human capital; to promote the establishment of strategic partnerships; and, to promote institutional modernization of the Institute.

1. Facilitating Integration and Hemispheric Cooperation

During the last two years, IICA has strengthened its position as the Technical Secretariat of the Ministerial Meetings on Agriculture and Rural Life, which form part of the Summit of the Americas process. It also serves as the technical secretariat of the Regional Forum on Agricultural Research and Technology Development (FORAGRO) and a number of other bodies.

The Institute has promoted hemispheric dialogue through various events, including the Thirteenth Inter-American Meeting, at the Ministerial Level, on Health and Agriculture, organized and held with PAHO; a forum on agriculture and cooperation, focusing on the international development objectives set for 2015; and the forums on agricultural and rural education held in the Southern, Central and Caribbean Regions. IICA has also created or

participated in hemispheric networks, systems and other cooperative mechanisms.

The most important of these efforts include the progress achieved, within the framework of the Agricultural Information and Documentation System for the Americas (SIDALC), in developing an inter-American network of agricultural documentation centers and libraries; the establishment, with the World Bank, of the Global Distance Learning Network for Agricultural Development in the Americas (GDLNA); the horizontal cooperation fostered among countries through the Hemispheric Training System for Agricultural Development (SIHCA); and participation in the Inter-American Water Resources Network, the Inter-American Committee on Natural Disaster Reduction (IACNDR), and the Interagency for Rural Development in Latin America and the Caribbean.

These are only some of the wide variety of activities that IICA has been implementing. It also promoted the discussion and analysis of trade integration between the Andean Community of Nations and the Southern Common Market and with Ecuador's Export and Import Committee, the Exporter's Association of Peru, the Venezuelan Association of Exporters and the Colombia International Corporation. And it signed an agreement with the Andean Community Secretariat for carrying out joint cooperation actions.

In the Caribbean, it helped consolidate the Alliance for Sustainable Development of Agriculture and the Rural Milieu in the Wider

Caribbean, which gained recognition within the framework of the CARICOM CARIFORUM Agenda. And it provided support for the efforts of the Forum of Ministers of Agriculture of CARICOM, the Caribbean Agribusiness Association, the Caribbean Council for Higher Education in Agriculture, the Caribbean Network of Rural Women Producers, and the Caribbean Agricultural Science and Technology System (PROOCARIBF).

Central America was another focus of activity. Through the Executive Secretariat of the Central American Agricultural Council (CAC) and the Regional Council for Agricultural Cooperation (CORECA), we supported two meetings involving the ministers of agriculture and economic affairs, and one involving the ministers of agriculture and the environment, of the Central American countries. We also prepared a new agreement between IICA and CORECA that will be signed during this meeting.

Furthermore, we consolidated the Northern Regional Council (NRC), which includes delegates from the three member countries concerned (Canada, Mexico, and the United States of America). A regional program of action was approved for implementation.

In the Southern Region, we advised and assisted the ministers of agriculture of the expanded MERCOSUR in organizing and formally establishing the Southern Agricultural Council (CAS), a regional coordination mechanism designed to orient policies, programs, projects, and investments for the agricultural sector. IICA was invited to serve as the Technical-Administrative Secretariat of the Council. We also facilitated integration and regional cooperation by supporting the execution of the agendas of the Cooperative Program for Agrifood and Agro-industrial Technology Development in the Southern Cone (PROCOISUR), the Southern Area Plant Protection Committee (COSWE), the Informal Group of Agricultural Negotiators of the

Southern Region, the Network of Agricultural Policy Institutions, the Standing Veterinary Council, and the Forums of Deans of Agronomy and Deans of Veterinary Medicine.

2. Facilitating Competitiveness and Global Trade

Thus, IICA has been supporting its Member States through cooperation actions designed to foster trade integration, the successful participation of agriculture and the rural sector in domestic and international markets, and the application of new technologies and business principles to increase trade competitiveness.

Important activities to monitor the WTO and FTAA negotiations include assistance in holding the fifteenth meeting of the Informal Group of Agricultural Negotiators of the Americas (GINA); the workshop-seminar on the current status of the WTO agricultural negotiations and the positions of the United States and Europe; and the participation in the meeting of experts on the liberalization and integration of agriculture, organized by the IDB.

To support the countries' participation in the global economy, IICA designed the Inter-American Program for the Promotion of Trade, Agribusiness and Food Safety, to provide technical support to the promotion of science-based trade in agricultural products in the hemisphere. This program was endorsed at the Twenty-third Regular Meeting of IICA's Executive Committee.

A study was conducted on agriculture's true contribution to economic development. The preliminary results suggest that agriculture's real contribution to national development is normally underestimated. For example, in Argentina official statistics suggest that agriculture accounts for 4.6% of GDP. When we consider all the backward and forward linkages to the rest of the economy, however, this figure increases to

32.2%. The same is true in the case of Brazil (with the figure rising from 4.3% to 26.2%), Chile (5% as opposed to 32.1%), Mexico (4.6% and 24.5%), and Costa Rica (11.3% and 32.5%). We are currently carrying out a similar study in all the other countries of the hemisphere.

3. Promoting Sustainable Rural Development and Rural Prosperity

As defined in IICA's 2002-2006 Medium Term Plan, one of the Institute's objectives is to support the efforts of the Member States and strengthen their institutional capabilities for reducing rural poverty, increasing rural prosperity and enhancing the capabilities of rural inhabitants, in order to accelerate their development through the sustainable use of natural resources.

One of the Institute's most important activities in pursuit of this objective is the cooperation being provided to several Member States in implementing the mandates of the Summit of Bolivia, aimed at enhancing their capabilities in the area of rural development, especially as regards the use of water for agricultural development.

Progress was also made in developing a methodology for characterizing IICA's experiences with the sustainable management of rural territories. This will be used to support the design of policies and the development of institutional mechanisms that strengthen the management of local governments, micro-basins and communities. In addition, IICA helped design investment policies, strategies, and programs for sustainable rural development in Brazil, Colombia, Mexico, Costa Rica, Guatemala, Jamaica and Paraguay, and promoted institutional modernization for sustainable rural development through the preparation of technical documents on the territorial approach, young people and indigenous peoples, natural resources and a knowledge management system.

4. Promote Agricultural Health, Food Quality and Food Safety

IICA has made a major effort to assist the Member States in strengthening their capabilities in the areas of animal health, plant health and food safety, so they can compete successfully in national and international markets.

The Institute prepared a model for modernizing agricultural health and food safety systems that will make it possible to measure the performance of agricultural health institutions and improve the sustainability of their systems.

IICA supported efforts to analyze, clarify and implement the WTO Agreement on Sanitary and Phytosanitary Measures. For example, with IICA's support 57 experts from all the countries in the hemisphere were able to attend meetings of the Committee on Sanitary and Phytosanitary Measures in Geneva. The extra budgetary contribution of the United States of America that made this possible is highly appreciated.

Four modules of the first Executive Leadership Series in Food Safety were also implemented, and leadership training in food safety was provided for people from the public and private sectors in 22 countries whose work involves extension and food safety initiatives.

Other noteworthy actions include the support provided for the meeting of Codex Committee for Latin America and the Caribbean at IICA Headquarters, assistance to strengthen the Plant Health Committee of the Southern Cone, and the signing of an agreement with the International Livestock Research Institute for implementing a project to improve beef productivity, quality, safety and trade.

5. Reduce the Knowledge Divide and Develop Human Capital

Using the latest information and communication technologies, IICA has been constructing a shared base of knowledge that will create new possibilities for the improvement of agriculture and rural life. One of the most important efforts in this regard is the Technical Information Management System (Infoagro.Net), which provides information on topics such as trade and agribusiness, technological innovation, agricultural health and food safety, and sustainable rural development.

Another important contribution is the Agricultural Information and Documentation System for the Americas (SIDALC), through which the Institute has helped closely coordinate, standardize and strengthen over 20 national networks of agricultural and rural information units and constructed the Agri2000 Megabase, which provides access to more than 160 databases in Latin America and the Caribbean.

The Institute has also supported the efforts of the Member States to develop and strengthen human capital and talent, promoting the improvement of the knowledge, aptitudes and skills of key players of the community of agriculture and rural life. Some of the most important actions carried out in this regard were: the signing of an agreement with the World Bank, under which the Institute assumed responsibility for the Global Development Learning Network for Agriculture (GDLNA) of the Americas; the consolidation of IICA's Distance Education and Training Center; the cooperation provided to numerous public and private centers of advanced agricultural studies, for improving the quality and relevance of their study plans and programs; and the

implementation of a large number of training activities (courses, seminars, workshops, etc.) in all of the Institute's Member States and for all its strategic thematic areas.

6. Promote the Establishment of Strategic Partnerships

The problems that weigh down and limit agricultural and rural development in Latin America and the Caribbean are too complex and broad in scope to be successfully tackled by the individual efforts of any single development agency or international organization. This has led international organizations and agencies to pool their capabilities and know-how in order to make contributions and offer solutions that will have a real impact on the community of agriculture and rural life in the Americas.

Mindful of this situation, for years IICA has developed mutually beneficial relationships for collaboration and cooperation with other agencies of the Inter-American and United Nations Systems, international financial institutions, state-run international cooperation agencies and national public and private entities. The synergies created have made the activities undertaken more relevant and the services provided more effective and broader in scope.

To strengthen existing relations and foster new ones that will promote rural prosperity, food security and the sustainable development of agriculture, in July 2002 IICA created the Directorate of Strategic Partnerships in Washington, D.C.

This Directorate establishes cooperation agreements and relations that provide support for IICA's management units and the Offices in the countries. By generating inter-institutional synergies at the national, regional and hemispheric levels, it increases the capabilities of all our

partners and clients in the Member States for implementing development efforts to achieve the Millennium Development Goals for 2015. As a result, the Directorate has undertaken a wide range of actions that have repositioned the Institute in the international development community.

A special element of the Directorate is IICA's Permanent Office in Europe, located in Madrid, Spain, whose principal function is to promote cooperation between Europe and Latin America and the Caribbean.

Through this Office, a variety of cooperation agreements are being developed with different Spanish organizations, such as with the Spanish International Cooperation Agency (AECI), and new relations have been forged with the European Union, the French cooperation agency and British institutions.

Conclusion

In conclusion, we believe that these efforts reflect the new IICA, an IICA that is committed to assisting its Member States in modernizing the rural sector through concrete actions that help reduce poverty and improve the food security of our peoples.

We are aware, however, that prosperity in the rural sector cannot be achieved by focusing on the technical aspects of agricultural production alone. We must also include on our agendas agribusiness development, value-added agroindustries, agrotourism and agroforestry, trade (both domestic and international) and environmental issues.

We have therefore moved expeditiously at the national level to work with the community of agriculture, the ministries, the private and academic sectors, and civil society to prepare National Technical Cooperation Agendas that incorporate this holistic approach to ensure that our efforts have a lasting impact on agriculture and rural life in our hemisphere.

These development agendas emphasize initiatives that will help reduce rural poverty and promote global trade and competitiveness, environmental management and the development of human capital.

As we enter the fourth year of the twenty-first century, the rural economy of our countries is challenged as never before to provide the basis for renewed economic growth, social stability, food security and prosperity in the countryside.

We are convinced that agriculture, viewed from a perspective that is broader than production alone, can and must contribute significantly to social and economic progress in our countries.

It is my conviction that by working together to implement the mandates we received in Quebec and Bavaro, the Institute can be a significant partner in the development process in all our countries.

I thank you for your attention and for your support during the last two years, and I look forward to your continued cooperation.

I do hope that our deliberations during this Second Ministerial Meeting will allow us to improve our approach to developing the policies and delivering the services needed to promote the sustainable development of agriculture in our hemisphere.

Finally, I would like to quote from my inaugural address on January 14, 2002:

"I am here today because I still believe that one day mankind will achieve the triumphant goal of conquering rural poverty and will be able to proclaim a world of human dignity and social equity for all. I commit myself to contributing to that goal, through the work of our Institute."

Thank you.

Second Ministerial Meeting on Agriculture and Rural Life

Closing Remarks

We have now reached the end of the Second Ministerial Meeting on Agriculture and Rural Life in the Context of the Summit of the Americas process, an encounter that has been rendered all the more historic because it has taken place when the host country, Panama, is celebrating its centenary.

The recognition by the Third Summit of the Americas in Quebec City of the importance of agriculture and rural life to development in our hemisphere was of strategic significance for those of us involved in this field. That affirmation, coupled with the First Ministerial Meeting held within the context of the Summit of the Americas process, held in Bavaro, represented a watershed for agriculture and rural communities in this hemisphere.

Over the last two days, we have had the opportunity to reflect on the mandates issued in 2001 and to gauge the achievements made at the national and hemispheric levels since that time. We have been able to foster constructive dialogue on issues such as the plan of action for agriculture in the 2003-2015 period; the impact of free trade agreements on agriculture and trade in the Americas; food security and the struggle against poverty and hunger; biotechnology and prosperity in rural communities.

Ladies and gentlemen, we are part of a hemispheric process, an ongoing process in which we must continue to play an outstanding role and

ensure that our voices are heard clearly. Based on our discussions, we can all agree that we have indeed made significant progress since Bavaro, but we must redouble our efforts and continue to participate actively in such fora as the Summit Implementation Review Group, along with the Member states and other Summit partners.

As you know, the Special Summit will be held in Mexico from January 12-13, 2004 and it is imperative that we ensure that agriculture and rural life are priority issues at that event, so that our concerns are duly reflected at the next Summit of the Americas, scheduled for Argentina in 2005.

The AGRO 2003-2015 Plan of Action which you have approved is a commitment that will harness the best capacities in the hemisphere. Together, in inter-American solidarity, we will construct a broad avenue of hope by joining efforts and skills, talents and creativity to solve the critical problems of backwardness, poverty and the falling production capacity of natural resources, which can undermine the future of rural communities and their right to prosperity. The solutions to these serious problems can only be found in the vision of statesmen and stateswomen who rise to the challenge of building the future, those who can see what solutions lie beyond the dark storm clouds of the present in the clear horizon of development, and to which we can only arrive through consensus, unflagging effort and unity.

* Panama City, Panama, November 12

Never before has it been so clear that our common interests will enable us to tap and build new opportunities which make it possible for our farmers to produce the food needed in the Americas and to export agricultural products with value-added to the markets of the world. We must develop this new agriculture with an approach that fosters equity and inclusion so that trade benefits all farmers and facilitates the complex task of meeting the food and nutrition needs of our people with a production model that protects our natural resources.

Honourable Ministers, IICA is an organization of the countries of the Americas and is one more tool at your disposal to help you fulfill this mighty task.

I therefore take this opportunity to renew our determination and commitment to support your far-reaching decisions. We are committed to collaborating with you in building this new inter-American agenda for bringing about the sustainable development of agriculture and prosperity in the rural communities of the Americas.

At this time, on behalf of our Institute, I wish to extend special thanks, through the Minister and Deputy Minister of Foreign Affairs of Panama, to the Government and people of this distinguished Republic for the excellent arrangements made for this ministerial meeting.

Madame Minister of Agricultural Development, Lynette Stanziola, allow me to express to you my gratitude for your outstanding leadership and guidance, and to your staff, for collaborating closely with us to ensure the success of these deliberations.

To the Honourable Ministers and Secretaries of Agriculture, I wish to offer my profound thanks for your active participation and timely contributions which have served to enrich the dialogue over the last two days. To the speakers, my congratulations to you on your very inspiring and enlightening presentations.

Finally, I wish to express my appreciation to the members of the IICA team –from Headquarters, from the Office in Panama and from our Offices in the countries throughout the hemisphere– who have demonstrated their dedication to our institution and who have shown a spirit of true camaraderie in the preparation and conduct of this important meeting.

Many of them we have seen in the conference room and in the corridors, others have been very busy behind the scenes, all of them, I can assure you, working as a family, the IICA family.

My heartfelt appreciation to you all.

Thank you.

Twelfth Regular Meeting of the Inter-American Board of Agriculture

*Inaugural Session**

Introduction

In my address to the Inter-American Board on November 26, 2001, I indicated that given today's reality, the IICA of the 21st Century "must embrace a new chapter in technical cooperation which emphasizes operational efficiency, accountability, prudent financial management, better use of our human resources and a new international dimension of strategic partnerships." On Tuesday, at the beginning of the Ministerial Meeting, I indicated that we have indeed progressed toward these goals. Today, I wish to emphasize why such changes were needed and reiterate some of the actions that we have taken to modernize the Institute.

The Secretary General of the United Nations, the Honorable Kofi Annan, has said "When the challenges which we face change, our responses to the challenges must also change." So it is with the agricultural sector.

The agricultural sector of the Americas in the 21st Century is challenged to be competitive, and to produce value-added products that conform to food safety and agricultural health standards demanded by the market and consumers. The agricultural sector must also provide the base for rural prosperity in order to stem the migration of the rural poor to our cities. The key factors driving the new

agriculture will be globalization and market liberalization, new technologies and consumer preferences.

Given these new realities it was concluded that an inter-American agency for agriculture must aim to support its Member States in achieving three objectives: sustainable agricultural development; food security; and prosperity in the rural communities of the Americas. Our Medium Term Plan addresses these objectives and seeks to ensure that the Institute adds value to the work of the agricultural sector of our Member States.

Dr. Mario Seixas, our Associate Deputy Director General, will be presenting a summary of our technical actions to achieve these objectives. I would like to focus my presentation on the administrative actions taken to modernize the Institute.

1. A reduction in bureaucracy

We have eliminated the Regional Centers, reduced management positions at Headquarters from 36 to 24, reduced Headquarters costs by 10%, consolidated units into a flatter, more efficient management framework, and allocated US\$1.2 million in savings from these actions to support technical cooperation activities in the Member States in 2002 and 2003.

* Panama City, Panama, November 13

2. A new relationship with the Member States based on participation, accountability and transparency

IICA's work program in each Member State was redefined in a participatory process with the ministries of agriculture and rural development, the private sector, academia and civil society, resulting in the development of National Technical Cooperation Agendas.

National reports were prepared on the implementation of the agendas and presented to national authorities in a national seminar. Suggestions and inputs were received for refining and adjusting the national agendas. This approach of participation, transparency and accountability is the hallmark of this administration.

3. A new information and communication policy

A new information and communication policy was developed to facilitate dialogue with the community of agriculture and the Member States to keep them informed of the activities and results of the Institute's work.

The repositioning documents, the 100 Days Report, the Director General's Report for 2002, IICA News and IICA Connection, an electronic bulletin, are results of this new policy.

4. A new human resources policy

The role and responsibilities of IICA management positions were redefined, especially that of IICA Representative in the Member State. The policy regarding the employees over 65 years of age was enforced and a new personnel evaluation policy that aligns individual performance with institutional goals has been implemented.

Awards for excellence have been established and a policy for enhanced language training is being implemented. An outstanding human resources management professional has been recruited as Director of Human Resources Management, and she is working with her team to review and modernize the Institute's human resources policies.

5. Promotion of prudent financial management and results-based institution

A policy has been implemented to ensure that the Institute's financial resources are properly managed. Measures taken in this regard include the following:

- establishment of a new unit for budget-preparation and control
- strengthening of the Institute's internal audit function with the appointment of a new internal auditor and a deputy auditor,

- assignment of responsibility for finance and administration to the Deputy Director General of the Institute,
- distribution of new guidelines for budget preparation and financial accountability to all managers, and
- establishment of the Directorate for Performance Management and Evaluation to ensure that proposed actions are implemented in a cost-effective manner, with the aim of converting the Institute into a results-based institution.

6. Follow-up to the mandates received at the Summit of the Americas

A Directorate for Follow-Up of the Summit of the Americas Process was established to provide appropriate follow-up to the mandates issued at the Quebec Summit, the OAS General Assembly and in the Bavaro Declaration. This unit provides for the exchange of information and facilitates joint efforts with development banks, agencies of the OAS system and other international organizations that are institutional partners of the Summits process, within the framework of the Joint Summit Working Group. It also effectively monitors the mandates of the Third Summit as they pertain to agriculture and rural life and contributed greatly to organizing this Second Ministerial Meeting.

7. Promotion of greater cooperation with the governing bodies

The administration reactivated the Special Advisory Commission on Management Issues (SACMI) and developed an online

information system to enable ongoing consultation with its members. The work of the Advisory Commission in 2002 included: i) facilitating the adoption of six resolutions pending approval from the Eleventh Regular Meeting of the IABA; ii) fostering dialogue on IICA's financial situation and approval of the 2003 Program Budget; and iii) validating and contributing to improving the quality and political viability of innovative projects presented by the Director General on agricultural trade, agribusiness and food safety and on agricultural education. These were subsequently approved by the Executive Committee, at its Twenty-second Regular Meeting.

8. Promotion of a new program on trade, agribusiness and food safety in the hemisphere

The administration promoted and obtained Executive Committee approval for a new hemispheric program on trade, agribusiness and food safety. This program aims to strengthen trade capacities, develop negotiating skills, provide information and support for compliance with the World Trade Organization mandates, and provide technical and related support for the creation of the Free Trade Area of the Americas (FTAA). Regional trade and agribusiness specialists were appointed to support national programs in these thematic areas, and an office to support this new program is being established in Miami to provide linkage between developed and developing economies in trade-related matters.

9. Continued support to agricultural health, sustainable rural development, technology and innovation, information and communication, education and training

Within the context of the 2002-2006 Medium Term Plan, the administration continued its support for these traditional areas of IICA's work. New emphasis was given to each of those areas with the appointment of regional specialists to support national actions. The new information and communication technologies are emphasized and addressed in the new programs.

In the area of education and training, new emphasis is being placed on distance learning and new communication tools are being developed. In the area of agricultural health, an assessment was conducted with a view to strengthening this important area of work.

10. Strengthening strategic partnerships

The administration considers the strengthening of strategic partnerships a fundamental objective in its efforts to promote sustainable agricultural development, food security and prosperity in the rural communities of the Americas. A new agreement was signed with the Pan American Health Organization and with the United Nations Food and Agriculture Organization. In addition, the Institute renewed its commitment to working with the Inter-Agency Group for Rural Development and has established working

ties with other international, regional and national agencies throughout the hemisphere.

The results of these relationships are presented in our report "Work Together," which has been distributed. The re-establishment of the United States Office in the OAS building in Washington, D.C., is part of a strategic initiative to work more closely with the OAS implementing actions where joint efforts can contribute significantly to the promotion of sustainable agricultural development.

The following summarizes the progress we have made in repositioning the Institute to address the challenges of the 21st Century: i) implementation of a new structure based on an integrated management framework; ii) development of a performance management results based system; iii) strengthening of the mechanisms for corporate governance and management; iv) reduction of bureaucracy; v) promotion of financial prudence and accountability; vi) promotion of basic principles and values, including flexibility, accountability, commitment, efficiency, tolerance, and spirit of service; vii) commitment to hemispheric solidarity and social equity; viii) development of a new relationship with our Member States based on participation, accountability and transparency; ix) establishment of new human resources policies including a code of ethical conduct; x) strengthened strategic partnerships.

IICA renews its commitment to supporting its Member States in their efforts to bring about the sustainable development of agriculture, food security and prosperity in the rural communities of the Americas. Thank you.

Twelfth Regular Meeting of the Inter-American Board of Agriculture

Closing Session

We have come to the end of three days of intense discussions focused on finding mechanisms that will enable the countries of the Americas to formulate the strategies and develop the instruments needed, under the AGRO 2003-2015 Plan of Action, to promote the modernization of agriculture and prosperity in rural communities, pooling the efforts of governments, civil society and international organizations.

I am certain that, within the framework of the Plan, countries struggling with high levels of poverty in the countryside, small economies trying to find ways to become more competitive and participate more effectively in integration processes, nations with major urban-rural imbalances, and even the economies of developed countries will find ways to address their priorities and solve fundamental problems affecting their societies.

The Plan must become a powerful instrument for transformation and a manifesto of inter-American solidarity.

This Twelfth Regular Meeting of the Inter-American Board of Agriculture has afforded an opportunity to adopt important decisions on matters related to the finances, budget and management of the Institute. These decisions are fundamental for further modernizing IICA and developing mechanisms for joint action with other institutions to will enable us to respond more effectively to the needs of our 34 Member States.

The IABA used to spend three full days discussing internal matters, mostly of an administrative nature. This year, the meeting was

preceded by the Second Ministerial Meeting. The importance of the topics addressed and the significant progress achieved during those two days are cause for satisfaction, and point to a new modus operandi for future meetings of the ministers of agriculture of the Americas and the IABA, as the governing body of IICA.

With an institution such as IICA, which is inter-governmental in nature and a member of the OAS System, with Offices in each and every Member State, and more capable than ever to address matters related to the modernization of agriculture and the improvement of living standards in the countryside, I am convinced that the countries of our hemisphere are in a better position than other regions of the world to tackle the complex challenges and tap the opportunities that have been the subject of much discussion during these meetings.

As Director General of the Institute, I have had the privilege of participating in the deliberations of the Member States, which, after all, are the "owners" of this great institution. Given the importance of the commitments reached by the governments represented here, I want to take this opportunity to state that I, and all those who make up the General Directorate, will support the Member States in their efforts to comply with the mandates of the Second Ministerial Meeting and to implement the resolutions approved during this IABA meeting.

Ministers and Secretaries, IICA is ready and willing to support, within its areas of competence and in strict adherence to the mandates of the

* Panama City, Panama, November 13

governments, the ambitious agenda for promoting agriculture and rural well-being set forth in the AGRO 2003-2015 Plan of Action .

We hope that the decisions each government and institution adopts to implement this new vision of agriculture and the rural world, both of which are essential for the transformation and advancement of our societies, will contribute to achieving the results that the rural communities of the Americas and rural producers rightfully expect.

As part of this effort, we must strengthen inter-institutional efforts. To this end, we pledge to continue supporting innovative mechanisms that facilitate joint efforts, such as the Inter-Agency Group of Rural Development and FORAGRO, which have proven effective in pooling the capacities of national and international agencies working together in pursuit of common agendas.

I am especially grateful for the participation in this event of representatives of the IDB, the World Bank, IFAD, FAO, ECLAC, GTZ, USAID, the Inter-Agency Group on Rural Development, and institutions that are at the forefront of technological innovation in the Americas, including FORAGRO, CATIE and CARDI.

Now more than ever, the governments and the General Directorate must work closely together to make IICA stronger in terms of technical excellence, financial solvency and management capabilities, to ensure that our support for the Member States enables them to comply with their inter-American commitments.

IICA's actions will be carried out within the framework of the national and regional agendas agreed upon with the governments of and the public and private institutions in the Member States.

Madam Minister of Agricultural Development, I would like to thank you for your outstanding leadership, and your staff for all the cooperation they have provided, both of which have been essential to the success of this event.

I wish to thank the Ministers and Secretaries for their active participation and their insightful observations, which added much to the content of our discussions.

Also, I congratulate all the speakers on their thought-provoking presentations.

And last but not least, I would like to thank the members of IICA's secretariats, our staff from Headquarters, the Panama Office and other IICA Offices in the hemisphere, who, out of a sense of dedication to the Institute and in a spirit of camaraderie, have prepared and coordinated this meeting.

We have seen some of them here in the meeting room and in the hallways, but many more have been at work behind the scenes. They have all come together and worked as a family, the IICA family.

Thanks to all of them, and thank you very much.

*The Importance of Science and Technology for Agriculture in Latin America and the Caribbean**

First of all, I would like to thank you for the invitation to attend the Seventeenth Annual National Conference and Exposition on Science and Technology under the theme "Science and Technology for Economic Development," in this beautiful country of Jamaica.

I am extremely pleased to note the distinguished presence here today of producers and agro-industrialists, academics, rural leaders, representatives of non-governmental organizations and research centres. Your attendance is critically important because you are key players in bringing about integral agricultural development, improving the efficiency of production, and upgrading the competitiveness of the agricultural sector. You are also responsible for developing appropriate technologies for the management and conservation of our natural resources, and for promoting successful means to improve the living conditions of the rural population.

I am sure you share my concern about rural poverty in Latin America and the Caribbean and the belief that science and technology represent a strategic variable in the search for suitable solutions. We are of the belief that most solutions for alleviating rural poverty must be found in the rural milieu itself and not in the traditional route, which has been migration to large cities, especially considering the difficult economic and social situation of many of the countries of the region.

To quote Dr. Martinez Graft, an outstanding Mexican scholar, "Today it is more important to enable a rural family to succeed in making an adequate living on its small two- or three-hectare plot of land than to

facilitate the family's migration to the city, to swell the ranks of the unemployed or to become another of the underemployed that defends two or three square meters of sidewalk space to sell cigarettes and day-old newspapers."

I am delighted, therefore, to have this opportunity to present some brief thoughts on agriculture in Latin America and the Caribbean (LAC), from the technological perspective. I would also like to use this time to examine regional research capabilities and conclude with some considerations on the future of research, from the perspective of the Inter-American Institute for Cooperation on Agriculture (IICA), the institution I have had the privilege to lead since January of last year.

Before this, however, and for those of you who don't know IICA, I would like to say a few words about our Institute and the role it plays in the hemisphere.

The Inter-American Institute for Cooperation on Agriculture (IICA) is the specialized agency for agriculture of the Inter-American System, linked to the Organization of American States (OAS). Founded over 60 years ago, the current objectives of the Institute are to promote sustainable agricultural development, food security and prosperity in the rural communities of its 34 Member States in the hemisphere. The Institute is governed by the Inter-American Board of Agriculture, which is made up of the 34 ministers of agriculture of the Americas. In addition, it has 18 Permanent Observers including several European countries; Spain is an Associate Member.

* Seventeenth Annual National Conference and Exposition on Science and Technology under the theme "Science and Technology for Economic Development," Kingston, Jamaica, November 20-22

With the support of public and private, national and international institutions, IICA pursues its objectives through six strategic areas of action: Trade and Agribusiness, Technology and Innovation, Agricultural Health and Food Safety, Sustainable Rural Development, Information and Communication, and Education and Training.

It is our view that agriculture must be viewed for what it is: the bedrock of society and the cornerstone of all economies. For agriculture and rural development to take their rightful place in economic development, however, agriculture's real contribution to national development must be recognized by decision makers.

Official statistics often show agriculture as contributing single-digit percentages to the gross domestic product (GDP). Our research suggests that when all the backward and forward linkages in the commodity chain are considered, agriculture's contribution to national development is significantly higher than the percentages reported in national statistics. The following table demonstrates this clearly.

**Gross Domestic Product and Value Added
Contribution to the GDP**

	AgGDP/GDP	GDP Extended Agriculture/GDP
Argentina	4,6%	32,2%
Brazil	4,3%	26,2%
Chile	5,6%	32,1%
Mexico	4,6%	24,5%
United States	0,7%	8,1%
Venezuela	4,0%	20,5%
Costa Rica	11,3%	32,5%

This under-estimation of the importance of food and agribusiness industries in economic development has resulted in a lack of recognition of the contribution of agriculture and agricultural professionals to national development; under-financing of agricultural research, training and education; low interest in agribusiness as a profession among youth; under-financing of rural infrastructure and investment in the sector; an urban bias in the allocation of national resources; and the continued dependence of some countries of the hemisphere on imported food.

Within this context, we are convinced that the expanded agricultural sector, which reaches beyond the parameters of primary agricultural production, is crucial in the search for economic growth and rural welfare.

Agriculture contributes to three fundamental aspects of development: national food security, national social stability, and environmental protection for this and future generations. Agriculture is important for the promotion of rural prosperity because we can no longer accept the migration of the rural poor to cities as a solution for rural poverty. This rural-to-urban drift must be reversed. The social and economic difficulties associated with same continue to threaten social stability and the progress being made toward democratic governance.

Forces of integration and hemispheric trade

Over the last decade or so, there has been a clear trend in the Americas to promote regional and hemispheric integration and trade throughout the hemisphere. The emergence of MERCOSUR (Southern Common Market), the North American Free Trade Alliance (NAFTA), the G-3, the Andean Pact, the Association of Caribbean States (ACS), and the

strengthening of CARICOM into a single market and economy, as well as efforts to build the Free Trade Area of the Americas (FTAA), all clearly express the destiny of this hemisphere to move towards integration.

Trade among the countries of the Americas has increased more significantly than has world trade. In the past decade, world trade has shown an annual increase of approximately 8% while regional groupings in the Americas have recorded higher increases: 20% in the Andean Pact area, 12% in NAFTA and over 20% in CARICOM.

This trend suggests excellent prospects for regional trade in the future and will underpin the formation of the Free Trade Area of the Americas.

Mandates from the 2001 Summit of the Americas

The Third Summit of the Americas, held in Quebec City, Canada in 2001, produced a Declaration and a Plan of Action that clearly define the strategies and programs to be followed for creating greater economic prosperity, expanding economic opportunities, and strengthening international relations among the countries in the foreseeable future. The commitment to create the Free Trade Area of the Americas by 2005 underscores the need for ongoing dialogue and cooperation within the Inter-American System.

In both the Declaration and the Plan of Action, the Heads of State and Government of the Americas emphasized the importance of agriculture

and rural life for strengthening democracy, creating prosperity and realizing the human potential of the peoples of the Americas.

The proposed Free Trade Area of the Americas will create a global market of some 800 million people. This market will provide unprecedented opportunities for trade in agricultural products and an opportunity to establish the largest agribusiness community in the world. Our hemisphere is emerging not only as the fastest-growing subregion of the world, but also as the sub-region with the greatest potential for future growth.

The agriculture of Latin America and the Caribbean in the 21st Century must be competitive: it must produce value-added products, be environmentally sustainable and respond to the growing demand for processed convenience foods and organic products. Against this backdrop, agricultural development in the 21st Century must ensure a sound balance between food security and a protected environment.

The agriculture of the future will be increasingly multifunctional, heterogeneous, complex, knowledge-driven, technology-driven, market-oriented and adapted to available resources. The key factors driving this new agriculture will be the application of biotechnology and information technologies, as well as the globalization of markets, knowledge, education and consumer preferences.

The success of this paradigm depends on technology, information and communication, training and education, promotion of value-added products, and the exchange of experiences.

Figure 1. Agriculture and Technology



This figure shows that the new agriculture will be driven by global trade, based on competitive agribusinesses that market value-added products that meet agricultural health and food safety standards, while respecting the environment.

Research and technology must be seen as inputs for agribusiness enterprises and not as results to be published in referenced scientific journals. This change is necessary to enable technology to take its rightful place in the development of agriculture, and is important.

IICA's role in agriculture and rural development

Agribusiness and rural enterprises have a critical role to play in the creation of prosperity, employment and economic growth in the hemisphere. Accordingly, IICA has a critical role to play in providing training and in promoting the use of business principles, innovative technology, and new information and communication systems in agricultural production and in agribusiness enterprises so as to increase their competitiveness in global markets.

In 2000, US\$300 million of agricultural products were sold on the Internet. This suggests the possibility of establishing closer links between producers and consumers. Here, information technology is playing a new role in agricultural markets.

I would now like to mention four strategies that IICA follows to support efforts in this new scenario:

- It supports the ministries of agriculture in their efforts to transform their roles, structure and functions so as to better equip them to face the new realities of globalization and State modernization. Ministries of agriculture and other institutions in the region are in the process of restructuring and refocusing their programs to cope with the new challenges of the global trade environment and the need for the agricultural sector to be efficient and competitive in a situation of budgetary cutbacks. IICA works to bring the experiences of other countries to the discussion table and to provide technical, policy and administrative support for the process of institutional modernization.

- IICA collaborates with other national, regional, hemispheric and international institutions to promote a style of development that makes sustainable use of our natural resources for present and future generations. This is critical for prosperity and for the improvement of rural life. Critical aspects of this topic are deforestation, land degradation and water for agriculture.
- IICA also supports its Member States in enhancing the safety of food supplies. Non-trade issues such as food safety and agricultural health continue to be critically important for the process of globalization and trade liberalization. The coordination of policy initiatives in support of strategies that address these issues is vital for the Member States. IICA therefore supports national and regional programs that work to harmonize approaches to food safety and to the control of agricultural pests and diseases that affect trade and agricultural productivity. IICA also assists its Member States in modernizing their agricultural health organizations and operations so they can comply with their new international commitments under the WTO and other trade agreements.
- The recent U.S. law on bioterrorism is a new challenge we must face. Our Institute is opening a new office in Miami to assist the countries of the hemisphere in strengthening agricultural trade, agribusiness and food systems.

Success in modernizing agriculture in the Americas and in developing the full potential of the rural sector will depend in large measure on leaders who can promote change and harness the vast potential of their countries by removing the anti rural bias in development policy.

Agricultural performance in the region, from the technological perspective

With this as a backdrop, I would like to continue now with a review of the agricultural performance in Latin America and the Caribbean, seen from the technological perspective.

Several special situations deserve our attention:

- Agriculture's production capacity in Latin America and the Caribbean has been increasing significantly in recent years, amounting to a nearly 15% increase during the 1993-2000 period.

As a result, agriculture's contribution to the generation of foreign exchange has risen steadily: in the years 2000 and 2001 it reached, on average, nearly US\$50 billion per year in Latin America and the Caribbean (LAC) and around US\$80 billion per year in Canada and the United States. More importantly, as agriculture has progressed in Latin America and the Caribbean, its impact on the rest of the economy has increased significantly.

Specialists estimate that on average, each additional dollar produced in agriculture in the region generates four additional dollars in the economy.

- Parallel to this important economic growth, the structure of agricultural production is undergoing substantial change, moving toward a level of specialization that is enabling the region to better tap its comparative natural advantages in international markets.

Comparing the situation today with that of 20 years ago, the hemisphere now has over 34 million additional acres planted to temperate and subtropical crops (especially soybean and sunflower) and close to 10 million additional acres in tropical crops (primarily coffee, sugar cane and fruit trees).

In line with this, over the past two decades, 72.8% of the increases in agricultural exports from LAC have been in fruits and vegetables, soybeans, vegetable oils and meat, representing additional revenues of US\$14 billion for the region.

- Despite this good news, the following must be said:
 - i. Although significant agricultural growth has been achieved, it is still insufficient, particularly regarding the production of staple foods, which, on average, is growing slower than the population.
 - ii. Coffee, cocoa, bananas and sugar continue to face increasing difficulties in world markets.
 - iii. Overall, the land-use situation is not very favourable as the savings realized in agricultural lands through productivity increases have been exceeded by the amount of new land incorporated into production, further reducing reserves for the future. The added advantage we had in the past of abundant reserves of agricultural lands seems to have come to an end and our situation is similar to that of other continents. Today, the per capita availability of agricultural land in LAC is just 3.7 acres, as compared to the 6 acres available in 1965.

Furthermore, an aggregate accounting of lands devoted to annual and permanent crops and pastures suggests that we are close to using the total frontier of agricultural land available in LAC, estimated by some at nearly 188 million acres.

Moreover, with a few exceptions, productivity increases have been negligible for a large number of the products that have seen substantial growth in output and exports (primarily fruits and vegetables).

This overview clearly demonstrates that the agriculture of the future requires significant improvements in production efficiency, as well as a more appropriate use of natural resources. In this equation, the key variable is "technology." We must accelerate the incorporation of knowledge in the rural sector, which means that we have to look more carefully at the region's capacity to adopt or develop useful knowledge and to acquire and/or negotiate access to foreign technologies.

The region's institutional capabilities for research and technology development

With regard to the region's institutional capabilities for research and technology development, we can say is that there is an important institutional framework for same in Latin America and the Caribbean.

The Regional Forum on Agricultural Research and Technology Development (FORAGRO) is a mechanism that was established to facilitate and foster dialogue and cooperation among the countries of the region and to promote integration in this field. Its work is aimed

at achieving a type of agricultural development that is competitive and sustainable, in keeping with the scientific and technological challenges of the new century and with the growing demands of an expanded and changing agricultural sector.

Every year, FORAGRO brings together all the public and private elements of the region's institutional framework for research with the purpose of analyzing substantive problems in agriculture and discussing policy options in the area of science and technology.

In addition, the Regional Agricultural Technology Fund (FONTAGRO) was recently established by a large number of countries, with the support of the Inter-American Development Bank and IICA, for the purpose of financing research projects on strategic topics of common interest.

A sizable number of international research centers affiliated with the Consultative Group on International Agricultural Research (CGIAR) are also at work in the region: CIMMYT in Mexico, CIAT in Colombia, and CIP in Peru. Moreover, there are two important regional research centers as well: in Central America, the Tropical Agricultural Research and Higher Education Centre, better known as CATIE, and in the Caribbean, the Caribbean Agricultural Research and Development Institute, CARDI.

Another aspect of this regional panorama are the "PROCIS" that IICA has been supporting for several decades now. These important regional agricultural research programs, whose reach today cover the entire hemisphere, were designed to promote horizontal cooperation in research among the countries. Underpinning this system are the countries' agricultural research and technology development systems,

which invest annually a sum close to US\$1 billion and which involve between 12,000 and 15,000 researchers.

This formidable institutional machinery, development of which began in the early 1960s, has been successful in finding technological solutions for the rural sector, and for several decades now, its results have significantly improved the production outlook for many crops.

Numerous studies on the rate of returns on these investments in regional research have amply demonstrated that returns to farmers have often exceeded the research budgets, demonstrating that investment in science and technology, in this case for agricultural development, is one of the best, if not the best investment a country can make.

However, this institutional framework, which is public for the most part, is under considerable pressure to change. On the one hand, changes in agriculture have generated a demand for new technologies; on the other, sharp cutbacks in public budgets have frequently resulted in serious reductions in research capacities. For its part, private sector contributions amount, at most, to between 10 and 15% of total investments in research and technology development in the region.

Many LAC countries fall below the world average of investments in research and technology, measured as the proportion of expenditures in research in relation to the total value of agricultural production. The only four exceptions to this situation are Brazil, Chile, Uruguay and Mexico. In order to reach the world average level the region must, at the very least, double current investments in research to arrive at an annual figure of close to US\$1.85 billion. Not doing so will mean continuing in a situation of serious "underinvestment," which will surely influence not only the region's production capabilities but also its competitiveness in international trade.

Some thoughts on the future of agricultural research in Latin America and the Caribbean

I would like to conclude this presentation with some thoughts on the future of agricultural research in Latin America and the Caribbean. Although in absolute terms the region has shown positive results in agriculture, in relative terms its situation is not very favourable. For example, if we take LAC's share in world agricultural exports, we note that in the 1960s its share was 15.0% while in the 1990s its share fell by 4 percentage points to 11.0%.

So it is important to stress that, while agriculture has indeed grown, it hasn't grown enough to contribute fully to regional economic development. As I mentioned earlier, to grow more, it is necessary to modernize the business of agriculture and to undertake a new effort to strengthen the institutional framework for research. In this regard, IICA will continue to support CARDI as the region's agricultural technology agency. IICA will also continue to support the various processes of institutional modernization presently under way and to facilitate the sharing of successful experiences among countries with similar conditions.

In summary, the agricultural sector, and the food production subsector in particular, will have to adopt new and relevant technology, and increase research and training activities. We can no longer conduct research that has been conceived in the minds of scientists and academics, that is planned and executed without the involvement of those for whom it is intended, later to be presented at scientific meetings of scholars and then neatly bound in scientific journals and placed on the shelves of our libraries for posterity. The research needs of today are for client-led research, research that is creative and seeks to solve real problems that constrain the growth and development of an

agribusiness enterprise or primary production or the marketing of crops and livestock.

The research of the future must respond to the needs of the production sectors of the economy. In so doing, it will open new doors for private sector participation in the research agenda and encourage the private sector to finance research that is in its interest. Technology must be an input for the production of an enterprise's outputs and not an output of a research institution. This is the paradigm shift that we must make. The research agenda must be determined and fashioned by actions to solve the real problems of agricultural enterprises.

What we need are competitive agricultural research funds that enable producers or the managers of agricultural enterprises, along with researchers, to determine the agenda for agricultural research and to present their proposals for consideration to a national research funding board.

Michael Porter, the guru of competitiveness and Harvard professor of economics, has very clearly stated that there are only two bases for competitiveness: either we compete through prices or we compete through differentiation. Price-based competitiveness is futile for small developing countries and can aggravate poverty. Therefore, we must compete on the basis of differentiation and that means producing a product that is unique in some way and marketing it accordingly.

The production of specialty differentiated products, however, requires continuous innovation, continuous investment in research and development. Now is not the time to invest less money in research and development: now is the time to put more money into R&D that is focused, client-led and designed to promote the production of differentiated products for the global marketplace.

Let me give you an example of what I am talking about. Jamaica is unlikely to be competitive internationally in cheese production because New Zealand, the United States of America, Holland, among others, have developed the technologies for producing cheese efficiently. However, Jamaica can be competitive in the production of Jerk cheese. Why? Because it is a unique product that can be sold in specialty markets at a special price.

Another example: Jamaica is probably not competitive in the production of coffee, but it is competitive in the production of Blue Mountain Coffee. We must, therefore, do research on Blue Mountain Coffee to make it even more competitive and to innovate new and more efficient ways of producing it.

In order to modernize agriculture, we must design a strategy that focuses on and redefines the role and functions of the public and private sectors in the development and delivery of services to the agricultural sector, especially extension services. We must redefine the role of central, parish and municipal levels of governance with respect to agricultural development. We need regional development plans. In addition, we must inform the wider society of the need to adopt a broad policy on food security that encompasses national commitment to purchasing locally produced foods and to understanding its relationship to national development. Finally, we must define a development strategy for the rural sector that includes emphasis on recreation and the environment.

In conclusion, no society can ignore the importance and the welfare of a significant part of its population, those that live in the rural sector, without running the risks inherent to rural-urban migration, with all the attendant

problems of urban unemployment and urban insecurity. Moreover, no society should ignore the potential risks of dependence on external sources for its food supply, or ignore the threat to the environment that stems from continued subsistence production on marginal lands by a large number of small farmers using a traditional approach.

A modern agricultural sector is an asset to every economy but agricultural modernization can only occur when society invests in technological innovation, roads, markets, irrigation works, infrastructure, education and health. A holistic approach to the development of the rural sector is necessary for agriculture to be sustainable in small developing economies such as ours.

Let us therefore work together so that when the gates of globalization open, we will be able to take our rightful place as citizens of the Americas at the table of global prosperity. If that moment finds us unprepared, we shall have to be satisfied with the crumbs of injustice and inefficiency.

Finally, in the words of your national anthem, "Eternal Father, bless our land; guard us with thy mighty hand. Keep us free from evil powers, be our light through countless hours. To our leaders, great defenders, grant true wisdom from above. Justice, truth be ours forever, Jamaica, land we love."

Only by increasing public and private investments in research and development will the countries of Latin America and the Caribbean be in a better position to address the new priority of developing competitive agribusinesses in order to improve the social and economic levels of their populations.

Thank you very much.

*A New Vision for Agriculture in the Caribbean in the 21st Century**

I am indeed extremely pleased to be back in the Caribbean and thank you for your invitation to this meeting on poverty alleviation and food security strategies in the region. This event is being held at a time when agriculture and agriculture-related issues continue to dominate the global trade agenda. The recent meeting of the World Trade Organization in Cancun underscores the importance of the sector to national development and world peace and prosperity.

There is no doubt that globalization and trade liberalization have had some positive effects for certain economies of our world. However, globalization that fails to take into account rural development and food security objectives, and the concerns of developing countries, will not provide global prosperity or social equity. The economies of small developing countries in the Caribbean must be afforded the opportunity to insulate their domestic sectors from import surges and depressed export prices. Food security, social stability and environmental concerns must also be part of the new trade agenda.

A report published recently by the United Nations Development Programme (UNDP), entitled "Making Global Trade Work for People," states that special and differential treatment for developing countries goes beyond traditional trade issues and includes education, health, gender equality, environmental protection and respect for cultural diversity. It also proposes that WTO rules should be more flexible and development oriented. The results of the Cancun meeting, where the three pillars of trade (viz. market access, domestic support and export subsidies) were discussed, underscore the pivotal role of an

agreement on agriculture for world peace and prosperity. In my view, however, the FTAA is not solely about trade, but about how we are to live together in this hemisphere in the future.

While these initiatives are taking place at the global level, we must begin to implement national and regional strategies to support agriculture and rural development in our countries, based on a new approach to the issues involved. A prosperous agricultural sector is a prerequisite for poverty alleviation and food security because the majority of the rural poor are in agriculture, which promotes rural growth, employment and rural prosperity.

To begin with, agriculture must be valued for what it is: the bedrock of society and the cornerstone of any economy. Agricultural development is not about helping marginal poor farmers; the agricultural sector is a strategic sector of our economy.

Official statistics often show agriculture as contributing single digit percentages to Gross Domestic Product (GDP). In the case of Jamaica, the figure given is 8%. Our research suggests that when all the backward and forward linkages in the commodity chain are considered, agriculture's contribution to national development is between three and seven times higher than the percentages reported in national statistics.

For example, a recent study carried out by our Institute showed that in Argentina official statistics indicate that agriculture's contribution to GDP is 4.6%. When we consider all the backward and forward

* Kingston, Jamaica, November 21

linkages, however, this figure increases to 32.2%. The same is true in the case of Brazil (with the figure rising from 4.3% to 26.2%), Chile (5% as opposed to 32.1%), Mexico (4.6% and 24.5%), and Costa Rica (11.3% and 32.5%). We are now carrying out a similar study in the Caribbean.

Underestimating the importance of food and agribusiness industries in economic development has had a series of negative consequences in the region. The true contribution made by agriculture and agricultural professionals to national development is not recognized; agricultural research, training and education is under-funded; young people have little interest in a career in agribusiness; rural infrastructure and investment in the sector are under-funded; there is a bias toward urban areas in the allocation of national resources; and, some countries of the Americas continue to depend on imported food.

We are convinced that the agricultural sector viewed in the broad sense, in terms of more than just primary production, is crucial for economic growth and rural welfare. Agriculture contributes to three fundamental aspects of development, namely: national food security; national social stability; and, environmental protection for this and future generations. Agriculture is important in the promotion of rural prosperity because the solutions to rural poverty can no longer be left to the migration of the rural poor to the cities, where social and economic difficulties continue to threaten social stability and the progress being made toward democratic governance, making the cities of the hemisphere unmanageable.

We are convinced that unless the role of the ministries of agriculture is redefined and agriculture's true contribution to national development is recognized, there will no definition of a rural identity and decisions about agriculture will continue to be taken by people who do not live or work in the sector, nor understand it.

The structural adjustment programs of the recent past have resulted in fewer budgetary resources being allocated to the ministries of agriculture of several countries in the hemisphere. However, the global scenario requires that the State play a key role in providing the regulatory framework for agriculture, a policy framework, and support services such as rural infrastructure, security of land tenure, and training, research and extension, all of which are necessary for the development of a competitive agricultural sector. Traditional private-sector and non-governmental organizations are increasingly involved in the provision of technical services to the sector, but the role of government in building new strategic partnerships with the private sector, non-governmental organizations, and the institutions of civil society is a critical one.

Nevertheless, the rural sector has no hope of developing unless there is an increase in the flow of investment capital from both the public and private sectors into the rural economy. It is rather unfortunate and ironic that when there are budgetary constraints, governments tend to reduce investment in a productive sector like agriculture and increase investment in social services. If progress is to be made in curbing rural poverty, the international financial community must consider the importance of social balance -and not just profits- when investing in the rural economy. I noted recently that only 3% of IDB loans went to the rural sector in 2002 and in Jamaica only 1% of the budget was allocated to agriculture.

We must therefore examine the potential in rural communities for rural services, agrotourism, forest products, transportation, food processing, marketing, input supplies and output-related services, as a basis for rural prosperity and the provision of rural employment. According to the International Food Policy and Research Institute (IFPRI), "the abundance and diversity of Latin America and the Caribbean's agricultural and natural resources provide the region with a

comparative advantage to compete in world markets and generate broad-based growth throughout the economy.”

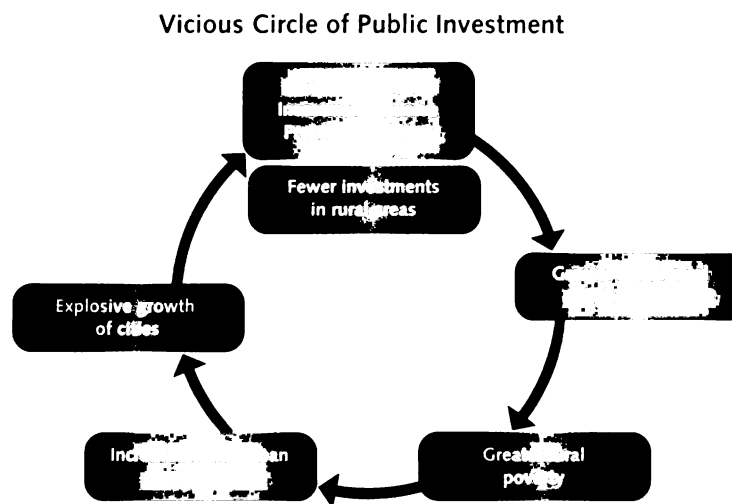
However, such growth will only be realized if we adopt a more relevant development model that facilitates increased investment in rural areas and ensures a more sustainable development of agriculture and greater prosperity in the rural economy. Such a model should include an institutional framework that promotes cooperation and closer ties between the State and civil society. This should be considered within the framework of strong government at the community level and a new role for the public sector, private sector and international organizations in rural community development.

Past and even current development models have an anti-rural bias in which the recommended approach to modernizing the economy is based on industrialization and favors the growth of urban areas. The consequences of these models are many. They have resulted in a large, disproportionate allocation of public investment funds for urban centers and the concentration of the population in cities. Due to the resulting political importance of urban dwellers, more public investment is channeled into services for urban areas. This is accompanied by a greater inflow of private investment into urban areas as a result of the externalities created by public investments.

Thus, despite the economic reforms implemented in the mid-1980s and during the 1990s, the inequality between urban and rural areas continues to exist. The situation is aggravated by the limited inflow of resources and improvement in infrastructure in rural areas due to inappropriate public policies on investment, trade and taxes. The spillover effects of increased rural poverty are then seen in urban areas and a larger slice of the national budget is allocated to solve the growing problems in the cities. The vicious circle is completed by a rise in violence and growing social and political insecurity in the rural

economy due to the urban-rural imbalances; and the continued competitive disadvantage of the rural sector, despite investments in areas with much potential.

This vicious circle of public investment must be reexamined.



The increasing migration from rural areas results in less agricultural production and the government then imports more food (normally cheap food) to satisfy urban demand. This further undermines the capacity of the rural sector to produce and creates another vicious circle - food insecurity.

A new development model is therefore needed that facilitates a better rural-urban balance through the integral development of both areas. More investment in rural areas is also required, so as to ensure social and political stability; promote the competitiveness of agriculture and rural economic activities; and, create rural agricultural and non-agricultural employment that allows rural dwellers to enjoy an acceptable standard of living. Other aspects that must be considered include productivity increases and an expansion in the food supply to meet the growing need for food and market requirements.

Furthermore, appropriate policies and strategies must be adopted that will: increase investments in the rural sector and thereby facilitate the profitable and sustainable use of natural resources; support investments in infrastructure and services that will make both agriculture and non-agricultural activities in rural areas competitive, profitable and sustainable; support investment for the development of human capital in the rural sector (rural education), to increase the skills of the population and improve their standard of living; and, increase investment in the development of rural enterprises and institutions that strengthens rural-urban linkages and the generation of value-added activities and higher incomes.

In light of the challenges facing agriculture and rural life, a new institutional framework to transform rural isolation into a network of global prosperity is needed. The best mechanism for implementing this strategy would be a hemispheric platform that facilitates dialogue, strengthens and expands alliances with strategic partners, increases the flow of investments into agriculture and the rural economy, and fosters hemispheric trade.

The aim of this hemispheric platform would be to permit the stakeholders in agriculture to take advantage of hemispheric and global

knowledge and, at the same time, sensitize hemispheric and global players to the needs at the local and national levels.

The proposed Free Trade Area of the Americas (FTAA), with a potential to create a single hemispheric market of 800 million people and a capital market of some 15 trillion dollars, presents the countries of the Americas with both challenges and opportunities. The concept of a new Inter-American economy, in which no country is constrained by its geographic size but has the potential to create enterprises that can operate in the new regional, hemispheric and global environment, is an exciting reality for development in our countries.

However, the potential will only become a reality if globalization and trade liberalization are controlled and regulated by transparent, science-based rules, instruments and institutions to provide for the equitable distribution of the benefits of the new global economy. In this regard, the treatment that small economies receive, the environment, and the fate of those who may be marginalized by the process are all relevant concerns.

Small economies in the region, struggling as they are to cope with the twin challenges of eliminating poverty and promoting sustainable economic development, need assistance if they are to integrate into the global economy. The networking and benchmarking of institutions in the hemisphere to share experiences and learn from each other is also important. In addition, institutions such as IICA have an important strategic role to play in facilitating development cooperation that channels effective technical assistance from the Institute's large, developed members to its small, developing ones. Small states must be able to play their legitimate role in the new global scenario.

Caribbean agriculture will have to tackle several global challenges in the future. It must adjust to liberalized economies in the global world;

broaden the base of our economies, moving away from traditional crops; preserve the environment; and, become competitive.

In response to these developments, IICA's work will continue on many fronts. It will strengthen the region's trade negotiating capacity by providing further assistance to the Caribbean Regional Negotiating Machinery (CRNM) and facilitate studies and actions that provide the technical base for negotiations in areas such as sanitary and phytosanitary measures, intellectual property rights and food safety. It will also increase the region's capacity to gather, generate and disseminate technology by providing support to CARDI, PROCICARIBE and national technology generating institutions. In addition, the IICA Offices in the countries will become centers for information, training and technical support in areas of strategic importance to the region's agricultural sectors.

The Institute will also support agricultural enterprises with agribusiness services and provide Caribbean agribusinesses with links to Latin American markets, by strengthening the Caribbean Agribusiness Association and facilitating cooperation and contacts with the wider hemispheric agribusiness community. It will also support the efforts of the Caribbean Council for Higher Education to produce graduates who are better suited to manage the development of agriculture and rural areas. And it will support the disadvantaged groups of rural women and youth, through the Caribbean Network of Rural Women Producers and the Caribbean Forum for Youth in Agriculture, to contribute significantly to the repositioning of agriculture and improve the quality of life of these segments of the population.

IICA will continue to support the Alliance for Sustainable Agricultural Development in the Caribbean, a mechanism for regional dialogue and coordination. This all-embracing stakeholder forum also generates critical strategic thinking and discussion on issues related to the

modernization of the agricultural sector. Furthermore, the Institute will assist the ministries of agriculture in their process of reform. Many ministries in the region are in the process of restructuring and refocusing their efforts and programs to cope with the new challenges of the global trade environment and the need for the agricultural sector to be efficient and competitive at a time when budgetary allocations are being reduced.

Lastly, IICA will support the development of a regional agrotourism program in cooperation with relevant tourism organizations, to explore opportunities for effectively linking the tourism market of hotels and cruise ships with locally produced foods and promoting concepts of quality and reliability in local food production. In addition, the recreational and educational aspects of agrotourism will be explored under a program that emphasizes linkages between agriculture, tourism and the environment, and that seeks a multi-sectoral approach to rural development.

The Institute cannot dissociate itself from the social problems of unemployment, lack of shelter, education and health care, poverty and social injustice that prevail among the majority of our peoples. These problems are reflected in urban and rural crime, trafficking in illicit drugs, personal insecurity and lawlessness, all of which represent a threat to peace and prosperity and the process of democratic governance.

Consequently, the Institute will embrace greater social responsibility and a development agenda that allows it to play a more dynamic and strategic role in the promotion of prosperity in the rural communities of the Americas. This role takes us beyond the traditional support to agricultural production and makes us partners in the development process of increasing the competitiveness of the entire agrifood chain and fostering linkages between the chain and other sectors of the

economy, such as, tourism, health, nutrition, infrastructure, education and the environment. Our National Agendas must reflect a holistic integrated approach that responds to the reality of the national agricultural community and national circumstances, and must link macro-policy with territorial reality.

Given this expanded mandate, a close relationship with strategic development partners at the national, regional and global levels becomes very important for our work. Consequently, we must actively seek to promote strategic partnerships as part of this change. The agreements we have signed with FAO, PAHO and ECLAC are all part of this new strategy. The appointment of portfolio managers to work with the World Bank and the Inter-American Development Bank is also part of this strategic approach.

The work and reports of our Institute will no longer focus on narrow scientific matters but must embrace the wider aspects of our contribution to society and to development. These include the Institute's contribution to food security and rural prosperity, through

efforts aimed at speeding up hemispheric and regional integration; facilitating competitiveness and global trade; strengthening rural communities; promoting food safety and agricultural health; developing human capital; improving environmental management; and, advancing institutional modernization.

We will embrace this development agenda while respecting our core business of promoting an agricultural sector that is competitive, technologically prepared, environmentally managed and socially equitable for the peoples of the Americas. This will ensure that we provide the new level of maturity that our Institute must demonstrate to our Member States.

These initiatives will support competitiveness, as we all work together to forge alliances that create synergies and help build a new, effective single market and economy for the region that will enable our peoples to achieve improved standards of living in the 21st century.

Thank you.

Feeding our Tourists: Transforming Traditional Agriculture

It is an honor for me to share with you some ideas and proposals for work in an area of the greatest importance for the advancement of our countries: the interaction and interdependence between sustainable agricultural development, environment and tourism. To this end I have divided my presentation into three parts. First, I will speak about the vision and concept of the expanded agricultural sector and sustainable development. Second, I will discuss the vital linkages between agriculture, rural tourism and environment, as well as the challenges and opportunities. I will conclude with ideas for fostering Caribbean cooperation on the sustainable development of agriculture and rural life.

Vision and concept of the expanded agricultural sector and sustainable development

I will begin with a hypothesis: "In certain countries, tourism can become an important motor for development in rural communities provided we can correct the anti-rural biases of the development models still pursued in many of our countries."

We need a development model that fosters increased investment flows to rural areas as well as specific policy measures to maximize the positive impacts of tourism on economic, social and environmental aspects of rural communities.

IICA's new vision commits us to fostering prosperity in rural communities, food security and the sustainable development of agriculture. This, in turn, is based on our commitment to the modernization of production, environmental sustainability and social equity. In effect, IICA's purpose is defined by the convergence of these three dimensions, which lead to political governance. Therefore, we are committed to modern and clean production processes, fair trade, friendly environmental management, and social responsibility, all to the benefit of the rural populations of the Americas.

Our vision is based on the conviction that what is agricultural cannot be separated from what is rural. Accordingly, we promote a broader concept of agriculture that includes management of agri-food systems and of rural communities. We also advocate the sustainable development of agriculture and rural communities based on multi-sectoral linkages, underscoring the multiplier effects of investments in agriculture on the rest of the economy and on the generation of rural jobs and incomes. In this context, we emphasize the importance of visualizing the complementarity among agriculture, rural territories and tourism as an essential component of development strategies.

The end goal of our approach is to promote the well-being of rural society. This leads us to highlight two fundamental issues: i) social cohesion, as an expression of the rural community and of integrated national societies; and ii) territorial cohesion, as an expression of the

* Caribbean / Latin American Action. Miami, Florida, USA. December 3

articulation of spaces, resources and regional institutions, resulting in nations that are socially integrated.

Regarding social cohesion, the challenge is to integrate the rural economy in terms of both its internal dynamics and its relations with the national economy. It is urgent that we abandon the vicious circle of exclusion, poverty and economic inefficiency, replacing it with a virtuous circle of inclusion, prosperity and competitiveness.

Territorial cohesion, on the other hand, is a task that still must be addressed in order to tackle regional gaps that threaten the integrity of Latin American societies. The divide between rural territories and urban territories, or between different rural territories, leads to national dis-integration, in direct opposition to the effects being sought from regional and global integration processes.

When we view development in this way, we see that public policy management should take into account the following three issues: i) territories, as the units targeted by such policies; ii) cooperation between public and private, national and local agents, as a key to effective management; and iii) the role of the State, as a provider of public goods, economic direction and regulation, and as a builder of democracy.

In sum, we view this expanded agricultural sector as a source of life, as our sustenance: water, food and energy. It is the source of employment and nature for our families; it provides us with the scenery that quenches our spiritual thirst and provides us with opportunities for recreation and adventure so we can leave behind the stresses of the modern world. For this reason, we believe that tourism and the conservation and sustainable use of natural resources can afford the primary economic activities for sustainable agricultural and rural development that will, under also with respect for nature,

The vital links between agriculture, rural tourism and environment: Challenges and opportunities

Agriculture and tourism are important and strategic economic opportunities for integral development in our countries because they represent the livelihood of millions of rural families. We expect these activities to make greater contributions to the eradication of poverty, and therefore, to bringing about and assuring prosperity in rural communities.

Tourism is a very important source of foreign exchange and jobs. At the world level, it is one of the most dynamic economic activities of our times: over the past ten years, demand in the tourism sector grew at an average annual rate of 4.3%. According to the World Tourism Organization, in 2001, world revenues from tourism totaled US\$462 billion. Europe benefited from half of this; 26% was generated in the Americas. Expected growth is also impressive. In the year 2000, at the world level, international tourism recorded 697 million trips; for the year 2020, that figure is expected to total 1.6 billion.

The growth in tourism is evident and has brought noteworthy benefits to the Caribbean region, the Central American countries, Mexico, Spain and Portugal, all of which have banked solidly on its expansion in terms of foreign investments, jobs and income generation to stimulate development in the rural areas. It also represents a potential source of significant expansion in food demand for our rural areas.

While agriculture has a different value in each country, it must be envisaged and expressed in terms of the expanded agricultural sector mentioned above, to ensure recognition of its real contribution to national development and the well being of the population. I believe that if this were the case, more weight would be given to agriculture in

global decision making, both at the national level, by government agencies, and in supra-national integration processes.

In addition, critical links exist between agriculture and tourism and between them and ecosystems, which we must protect to ensure the sustainability of development. Latin America and the Caribbean have an important heritage of natural resources. This includes 23% of potentially arable lands; 12% of lands in annual crops; 17% in pastures; 23% of the planet's forests (and 46% of the tropical forests) and considerable water resources (31% of the world's fresh water and 19% of its hydroelectric potential).

However, this important wealth of resources is shadowed by environmental problems such as resource depletion and contamination of land, water and atmospheric resources (including soil degradation, desertification, deforestation, loss of biological diversity, marine pollution and deterioration of fresh water resources). The unsustainable management of production activities, agriculture and tourism have been recognized as the principal causes of these environmental problems, which were addressed specially in the deliberations and agreements reached recently in the World Summit on Sustainable Development.

Although it may seem trivial to repeat such a well-known fact, agriculture is closely linked to the vital cycles of life. However, while it depends on them, agricultural development has also had a tremendous impact on these abundant natural ecosystems in the rural milieu of the Americas, a situation which has not improved substantially despite all efforts to the contrary.

It is clear that we have a great challenge before us. We must address agricultural development to satisfy current and growing demands for food, raw materials, jobs and the well-being of the population, but we

must do so knowing that with each passing year, we will have fewer natural resources to work with. We must take cognizance of this situation and urgently adopt new and sustainable forms of production for goods and services.

For its part, tourism opens up two areas for linkages with agriculture and rural life. The first concerns agriculture and the rural milieu as providers of specialized, high-quality goods and services (particularly food) for the expanding tourism industry. Tourism makes it possible to diversify the products offered by farmers, complement their incomes and become an important source of rural employment. With each passing day, there is a growing number of farms offering lodging and services for tourists to view production processes first hand, and to enjoy the natural setting and the particularities of the countryside and its inhabitants.

Because of the importance I personally attach to the development of agro-tourism as a means to reduce poverty, I would like to give you one example of an IICA initiative that has met with great success in promoting agro-tourism as a means of repositioning agriculture and contributing to sustainable rural development in the Caribbean region.

In Barbados, IICA is fostering agricultural diversification, which will enable farmers to supply hotels, restaurants, supermarkets and handicraft shops with local nontraditional foods and other products, thus contributing to increasing prosperity in the rural communities.

By establishing links between agriculture and tourism, IICA is promoting the creation of businesses in rural communities that strategically and successfully link tourism and related activities.

It is in this context that, in 2002, the IICA Office in Barbados established an Agro-Tourism Linkages Centre in recognition of the

complementarity among agriculture, rural territories and tourism and of the need for facilitating inter-sectoral linkages as an essential component of development strategy. At IICA we see agro-tourism not only as a means to increase tourism-generated income for agriculture, but also as a way to rescue and document the cultural and agricultural patrimony of our traditional crops and foods, and to revalidate them as fundamental elements of our cultural identities.

Other examples of what can be attained by tapping the relationship between agriculture and tourism are the Café Britt coffee tour and the Butterfly Farm in Costa Rica; rural tourism at country homes in southern Chile and on livestock ranches in Argentina and Venezuela; trips to sugar cane plantations and rum factories in Cuba; tours through the vineyards and wine cellars of Argentina, Chile, Portugal and Spain; and equestrian exhibitions and local gastronomical tours in Peru.

The second area is the development of new products and destinations for the tourism industry, where scenic beauty and archaeological, cultural and historical attractions can be expanded to include ecological tourism (or ecotourism), rural and agricultural tourism, adventure tourism and even scientific tourism, given the international scientific community's interest in the immense biological diversity of our countries.

In Costa Rica for example, IICA has worked with the Ministry of Agriculture to implement a pilot rural tourism initiative complements agriculture and agroindustry and offers an alternative way to improve the incomes of rural families. The project takes advantage of the scenic beauty of the Coronado region—which is on the outskirts of the capital—to promote biodiversity, agro-ecologic attractions, nature paths, popular festivals and other activities. The project has increased the number of tourists visiting this up-to-now unknown area

of Costa Rica, all the while respecting its natural resources. These variations of so-called ecotourism are very successfully promoted in that country and can be considered for future actions of Ibero-American cooperation.

These new options for the rural milieu frequently give rise to questions on how to develop this type of economic activity. In May 2002, the international community that specializes in the topic of ecotourism met at the World Ecotourism Summit. In the Québec Declaration on Ecotourism, participants from 132 countries affirmed that "...different forms of tourism, especially ecotourism, if managed in a sustainable manner, can represent a valuable economic opportunity for local and indigenous populations and their cultures, and for the conservation and sustainable use of nature for future generations." They also underscored that "...whenever tourism in natural and rural areas is not properly planned, developed and managed, it contributes to the deterioration of natural landscapes, to threats to wildlife and biodiversity, marine and coastal pollution, poor water quality, poverty, displacement of indigenous and local communities, and the erosion of cultural traditions."

Thus, the development of agriculture and the development of tourism in rural areas share common environment-related concerns and challenges. These include carrying out production activities with minimal environmental and social cost and impact, and, at the same time, creating wealth based on a creative and sustainable use of the environmental goods and services offered by ecosystems in rural areas.

Further, natural resource and environmental conservation in rural ecosystems provide important opportunities for rural development through the appraisal of and payment for environmental services produced in rural areas, as well as the development of economic activities related to these environmental services. Some potential

sources of financial transfers from cities to the countryside and from the international community to the rural community include payment for carbon fixation by forest biomass and other plant life systems; conservation of water sources for human consumption and electrical production; conservation of biodiversity for scientific research and the development of new products, and conservation of scenic beauty for purposes of tourism.

This combination of development efforts in agriculture, tourism and environmental services also affords a valuable opportunity for generating more jobs and income, and should be considered by our countries in new rural development and poverty mitigation strategies. We must bear in mind that poor agricultural performance means depressed rural zones, which translate into the seeds of social and political discontent, the worst possible environment for expanding tourism.

Tapping opportunities for a positive interaction between agriculture, tourism and environment also poses important challenges that require decisive action. First, it is necessary to move beyond political declarations on natural resource conservation to formulate concrete strategies, not only to guarantee the existence of natural resources for the enjoyment of future generations but also so they can serve as the basic raw materials for agricultural production and tourism.

With regard to agriculture, this means changing the natural-resource-degrading extractive production model that predominated during the period of the green revolution and not repeating this mistake in the era of the new biotechnological revolution.

In an increasingly globalized world, reducing the risk of pests and diseases not only has to do with public health, animals and plants, but also with tourism. This was recently demonstrated with the problems

of foot-and-mouth and "mad cow" disease in Great Britain, where it is estimated that contraction in the demand for tourism services in the English countryside was greater than the cost of sacrificing the animals and the losses incurred by English meat on the market.

This leads us to another important challenge: improving the quality of production in the expanded agricultural sector, not only because it is necessary under the WTO Agreement on Sanitary and Phytosanitary Measures, nor merely to meet the quality and food safety standards of importing countries, but because it is necessary for the tourism industry. Simply put, natural and prepared foods must meet high quality and safety requirements. Food produced for consumption by tourists in any given country should be treated as an export within that national territory, and should meet the same quality requirements.

Distinguished participants: Allow me to underscore the important challenge of formulating appropriate public policies to promote the sustainable development of agriculture, the development of tourism, the strengthening of linkages between these sectors, and the strengthening of links between these and the environment, all with a view to making sustainable use of natural resources. This means that we must adjust our institutions and stop making sectoral policy the traditional way, as if it were possible to compartmentalize. In reality, they are part of a complex setting and we must start formulating multi-objective policies with a more holistic vision.

Fostering Caribbean cooperation for the sustainable development of tourism, agriculture and rural life

At the hemispheric level, the Heads of State and Government have repeatedly expressed their determination to bring about sustainable development in which the different production activities— especially

agriculture and tourism—as well as the economic setting, foster and ensure such development. In the Americas, the ministers of agriculture, further to the mandates of the Third Summit of the Americas, adopted the “Declaration of Bavaro for the Improvement of Agriculture and Rural Life in the Americas.” In it, they recognized the need to implement medium- and long-term strategies for the sustainable improvement of agriculture and rural life, and to redouble efforts to use environmentally sustainable agricultural practices.

Agriculture has been discussed repeatedly by the Heads of State and Government, and declarations have been adopted on the matter, but we must translate these declarations into concrete actions to benefit the community of agriculture and rural life.

So, let us take this opportunity to promote and coordinate horizontal and multilateral cooperation among the countries in the area of agriculture and rural development, especially concrete cooperation actions that contribute to upgrading national capabilities and resources for the sustainable development of agriculture and tourism in the rural milieu.

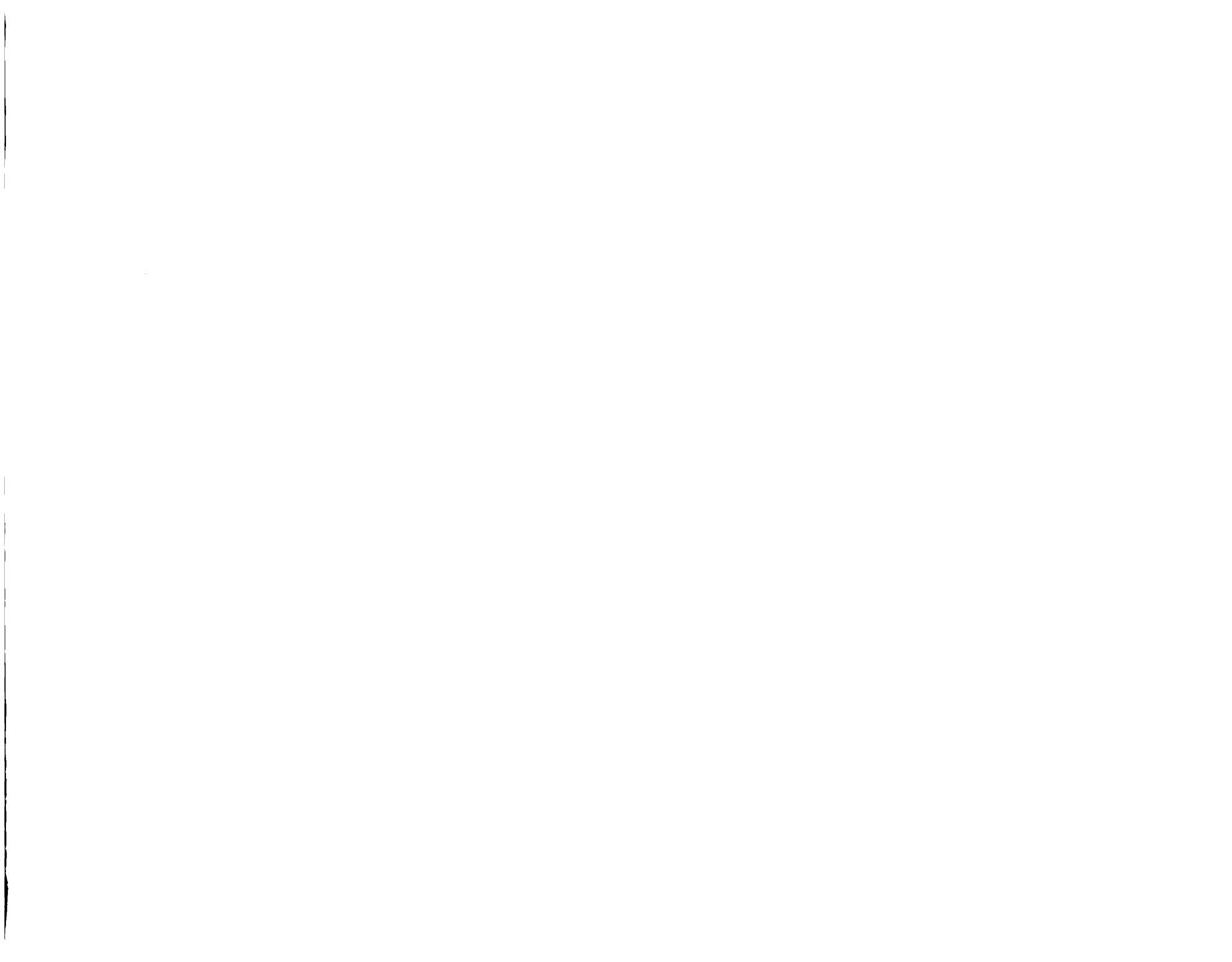
Distinguished participants: It is IICA’s mandate and mission to serve its Member States in their quest to bring about the sustainable development of agriculture and to reduce poverty among their population. You can count on our full support and dedication in your efforts to reach that goal.

In this regard, allow me to suggest that we lay the bases for cooperation programs in at least two areas. In rural tourism we can consider: i) promotion of public and private investment; ii) training for human resources in rural areas; iii) implementation of arrangements for certifying sustainability and quality of tourism operations. In the area of sustainable agriculture, we can initially consider cooperation actions in four areas: i) environmental management in agri-food chains (“from the farm to the table”); ii) strengthening markets for agricultural products obtained through environmentally sustainable production processes; iii) establishment of national and international payment arrangements for environmental services produced in rural areas; and iv) creation and operation of rural business management centers.

I am a firm believer that agriculture and tourism go hand in hand, and that the countries of Central America and the Caribbean have a significant comparative advantage for developing the links between them.

I hope these ideas will stimulate our discussion on ways to incorporate agriculture and rural life into our agendas and programs so that we may move from declarations to specific actions for the well-being of our rural populations.

Thank you very much for your attention.







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