



THE CHALLENGES FACING AGRICULTURE IN THE TWENTY-FIRST CENTURY

Speeches by the Director General during 2002



Vision

To transform IICA into a development organization that promote sustainable agricultural development, food security and prosperity in the rural communities of the Americas.

Mission

To support the Member States in their pursuit of 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.



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SPEECHES BY THE DIRECTOR GENERAL 2002

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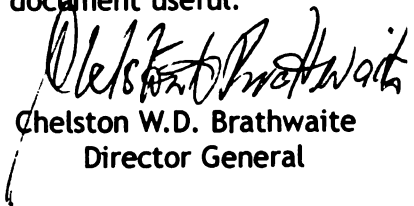
Preface

This document contains the principal speeches delivered during 2002, my first year as Director General of the Institute.

The aim of the publication is to disseminate and share information on the actions we have undertaken to energize the process to bring about change at IICA, with a view to creating an institution that supports its Member States in their efforts to bring about 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 people of the Americas.

It also highlights the management style of the current Administration, which is focused on providing a more modern and business-oriented organization, driven by the needs of the Member States, and where technical excellence, respect for the norms of the Institute, financial prudence, transparency and accountability, strategic partnerships and a reduction of bureaucracy are emphasized.

I hope you find the contents of the document useful.



Chelston W.D. Brathwaite
Director General





Inaugural Address

IICA Headquarters. San Isidro de Coronado
Costa Rica. January 15

I stand before you today as the ninth Director General of the Inter-American Institute for Cooperation on Agriculture, an organization that has provided almost 60 years of dedicated service to its Member States, in support of their efforts to develop their agricultural and rural sectors.

I am humbled and proud to join the select group of eight previous, illustrious leaders of the Institute, to continue the rich tradition of providing service of excellence to our hemisphere.

I am conscious of the tremendous responsibility that such a position carries. The responsibility, as I understand it, is one that begins and ends with a commitment to ensure that we harness the energy, the enterprise and the collective will of the entire agricultural fraternity of the Americas in our efforts to modernize the rural sector and alleviate rural poverty.

This sacred responsibility cannot be discharged by means of isolated or fragmented efforts; rather it requires that we all work together as a hemispheric team to challenge the problems of our times in a coordinated and holistic manner.

This need for a coalition of efforts for coordinated action has led me to the inescapable conclusion that in this hemisphere we must build an inter-American system for cooperation in agriculture, where all institutions offer their competencies for the common good of people of a common hemisphere with a common destiny.

That destiny, that goal, that resolve must be that we, as the peoples of the Americas, commit ourselves to ensuring that the



global prosperity that results from our efforts are shared equitably in our society.

We cannot have social progress and democratic governance if a substantial part of our population continues to find it difficult to obtain the basic needs of food, shelter and clothing in countries where there is a sea of material prosperity.

Our Institute must rededicate itself to helping to address the problems of rural poverty by promoting sustainable rural development and modernization of the rural sector. The cost of hunger and malnutrition must be of concern to all of us.

There is clear evidence of linkages between economic growth and nutrition. Improved nutrition results in economic growth through human capital formation and productivity. Poor nutrition results in low labour productivity, poor health and low levels of educational achievement. Our Institute must focus on people and be driven by the future.

There are those who see the future with fear and apprehension; I see a future of opportunity and prosperity as we harness the technological advances of our times in order to bring about a gentler and more humane world.

Our Institute must therefore rise to the challenge and embrace a future fashioned by a resolve to global cooperation and a 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 possibil-


ities 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.

We must all remember that we cannot win the war on poverty if we are prepared to sell the future of our children for personal and immediate comfort and safety. We must therefore remind ourselves to take care of our environment for future generations.

In my acceptance speech on the twenty-sixth of November in Punta Cana, Dominican Republic, I indicated that the IICA of the twenty-first century must embrace a new chapter in technical cooperation, one that emphasizes operational efficiency, accountability, prudent financial management, better use of our human resources, and a new international dimension of strategic partnership.

Madam Vice President, a new international action is important for our institution, because we must ensure that the institute takes its rightful place among the international partners committed to prosperity, poverty alleviation, free trade, democracy and justice for the peoples of the Americas.

Among these institutions are the OAS, PAHO, ECLAC, IDB and the World Bank. We must develop strategic partnerships with the international financial community to obtain the necessary resources to follow-up on the summit of the America's mandates and to provide the technical support for our agricultural sector to participate in the global economy. While maintaining our base in



the inter-American system, the Institute must reach beyond that system to obtain technologies, information and experiences that can enrich the development of the agricultural sector.

Therefore, today the Institute must consolidate the changes of the past while forging a new dimension in support of the new global scenario for the agricultural sector of the hemisphere.

With the Americas on the verge of establishing the Free Trade Area of the Americas (FTAA) and the new mandate given to the Institute in the recently concluded Third Summit of the Americas and the OAS General Assembly, IICA's importance as an institution for hemispheric integration of the agricultural sector takes on new significance.

In this new context, the Institute must focus its technical cooperation programme to provide the assistance required by the Member States. It must institute a process of internal consolidation and project 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.

The progressive reforms (institutional, technical and administrative) introduced during the 1994-2002 administration of Dr. Carlos Aquino, in accordance with the 1994-2002 Medium Term Plan, must be consolidated and continued. These include decentralization, administrative modernization, a participatory management style, the strengthening of IICA as the inter-American agency for agriculture and rural life, and revitalization of links between the Institute and global development partners.

IICA must continue to assist in the preservation of the democracies of the hemisphere by contributing to the alleviation of poverty and to reducing social inequity.

IICA is the only international agricultural organization with offices in each of its thirty-four Member States. Consequently, the Institute is well positioned to facilitate the transfer of knowledge, technology and experience among the countries and must provide the technical support base for agriculture in efforts to construct the Free Trade Area of the Americas (FTAA).

IICA must become a true network of hemispheric cooperation that facilitates access to information technology and experiences on the Member States' agricultural sectors, making it accessible from any country of the hemisphere. This sharing of information, technology and experiences will facilitate the hemispheric trade in agricultural products, support the implementation of the FTAA, and facilitate globalization.

IICA must play a strategic role in facilitating development cooperation that fosters effective technical assistance from the large developed members to the small developing members of the Institute.

All states must be able to play their legitimate role in the affairs of the institute.

The future work of the Institute must be driven by opportunities that foster the formation of strategic partnerships with institutions and enterprises of complementary capabilities working together to exploit these opportunities.

It is therefore important that we engage in opportunity-driven technical cooperation, opportunity-driven communication, opportunity-driven training programmes, with a private sector-oriented mindset, so that the results of our efforts are tangible and meaningful.



IICA must be an institution with principle-centred leadership where the core values of tolerance, flexibility, accountability and commitment are present, and the mindset of a learning organization is developed.

The Institute must, therefore, strengthen its strategic partnerships with the FAO, WTO, OECD countries, CGIAR and institutions in Europe, Asia and Africa that provide and produce technological services for agriculture, with a view to bringing these experiences and technologies to bear on the problems of agricultural development in the hemisphere.

In summary, the IICA of the 21st century must be:

- An agile, flexible and results-oriented institution;
- Efficient and accountable ;
- A hemispheric leader in its target thematic areas;
- Service-oriented and managed in a business-like manner with less bureaucratic procedures; and
- A true network of hemispheric cooperation, where building national capacities, a new international image, national accountability, private sector participation and technical excellence are the agenda.

My responsibility in the implementation of this new agenda begins and ends with a commitment to service, to performance, to excellence and a commitment to ensure that "we walk the talk"; a responsibility whose base is professionalism and integrity; a responsibility that begins with listening and progresses to action; a responsibility steeped in honesty, openness and a willingness to make hard decisions, and an understanding of the need to respond effectively to those who support this institution; a responsibility that can make this Institute the most effective inter-American instrument for promoting prosperity of the rural sector in this hemisphere.

We cannot escape the sacred responsibility of our times, which must be to make life better for 177 million who live in poverty in the countries of the Americas. Madam Vice President, it cannot be business as usual for IICA in a hemisphere where there are vast areas of material prosperity, but where a substantial part of our population still finds it difficult to acquire their basic needs of food, clothing and shelter.

It cannot be business as usual for IICA when the poorest 20% of the population of our countries receive only 4.5% of national income, when persistent poverty continues to express itself in violent crimes, antisocial and illegal activities, and when the production of and trafficking in illicit drugs continue to be a serious threat to national social stability and the processes of democratic governance.

It was Mahatma Gandhi, that great apostle of peace and brotherhood, who reminded us in "lessons in leadership" that, unless we take care, seven things will destroy us: wealth without work, pleasure without conscience, knowledge without character, commerce without morality, worship without sacrifice, science without humanity, and politics without principles.

As I mentioned before, it is in this context that IICA must be an institution of principle-centered leadership where the core values of tolerance, flexibility, accountability and commitment are present and where the mindset of a learning organization is promoted, for only in this way can we face the challenging problems of our times, conscious, as was Albert Einstein, that significant problems cannot be solved at the same level of thinking that existed when the problems were first created.

Open markets led to a boom in trade that swelled from 18% of global economic output in 1990 to 26% of global economic output in 2000. Globalization has helped disseminate investment capital, technology and entrepreneurial ideas throughout the world. A slowdown in globalization which may result from the recent events of September 11 will reduce global economic expansion, both in developed and developing economies. But globalization without humanity and social equity will also not benefit our world.

We must move rapidly to address the fears of those who see only the dark side of this new movement, such as job loss, destruction of cultures and environmental degradation. We must seek to comfort them with an approach that is inclusive of all for all the people.

I am fully aware that the success of our efforts will depend on the quality and dedication of the leadership, and the commitment, application and competence of our staff. I therefore call on all our staff to rededicate themselves to a life of service where their efforts can contribute to enhancing the lives of people and to building a hemisphere of rural prosperity.

- The IICA of the 21st century must celebrate excellence, superior performance, and commitment to the purposes of the institute, placing human relationships at the centre of our work.
- IICA must tolerate and value the diversity of cultures, genders, races, religions and other differences. IICA must celebrate constructive creativity that moves human barriers from the realms of the impossible to reality.

A modern IICA must forge a destiny that is exemplary in the international arena where, despite our small size, we can be a beacon of competence, integrity, performance and technical excellence. Let us therefore rededicate ourselves to the goals of our Institute, let us build IICA for today and for the 21st century.

Today we must move from vision to reality. That reality involves a plan and plan implementation. The basic requirement now is commitment at all levels of our organization.

We need the commitment of our support staff, the commitment of our representatives, the commitment of our professionals, the commitment of our secretaries, and the commitment of our Board and Executive Committee.

The demand of the Member States for an IICA that is exemplary in its delivery of technical cooperation suggests that we must obtain the opinions and ideas of our hemispheric community.

I am therefore very pleased to share with you today the document "Repositioning IICA to meet the Challenges of the Twenty-first Century." All of you are cordially invited to present your comments and suggestions for improving the future of IICA.

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.

I thank all of you for your distinguished presence in this event. Your cooperation and positive attitude toward IICA will be a source of energy in our efforts to enhance the relationship, based on real partnerships, between IICA and the Americas.

Thank you.



Joint Efforts and a New Vision of Agriculture and Rural Development

**Board of Governors of the Inter-American
Development Bank (IDB). Seminar on Development
of Rural Economies in Latin America and the
Caribbean. Fortaleza, Brazil. March 7**

First of all, I would like to pay special tribute to our sister institution, the Inter-American Development Bank, and its President, Dr. Enrique Iglesias, for that organization's efforts to help position agriculture and rural development as key elements of economic growth with a human face, and to promote sustainable development as an effective means to combat poverty.

For some time now, the IDB and IICA have been working together with the ministers of agriculture of the Americas to gain greater support from both national and international authorities concerning the need to once again take on the issue of rural development, in the fullest sense of the term.

What better example of this than to have sponsored, as part of the Meeting of Governors held in 2000 in New Orleans, the Conference on the Development of the Rural Economy and Poverty Reduction, and to hold today this Seminar on the Development of the Rural Economy in Latin America and the Caribbean. Events of this nature contribute to strengthening the international dialogue we need to engage in for upgrading rural communities and the negotiating capabilities of our ministers of agriculture in their own countries.

Distinguished colleagues and friends: This is my first opportunity as Director General of IICA to meet with senior authorities from the international organizations that make up the Inter-agency Group on Rural Development. Therefore, I would like to extend my sincere and fraternal greetings to you all, and to let you know that the General Directorate of IICA is firmly convinced and com-



mitted to placing our institutional capabilities and ever-widening horizon of action at the service of this alliance. It is also our desire to strengthen the open and constructive dialogue that will make it possible to contribute more substantially to development in the countries. After all, this is the goal and mission of our institutions.

IICA's new administration is convinced that its new strategic vision for the Institute's action, as described in the document "Repositioning IICA to Meet the Challenges of the 21st Century," must extend beyond the two-year budgetary cycle and even its four-year medium term plans. Its strategic vision must enable the Institute to anticipate the future for the agricultural sector and help the Member States think in the longer term as regards the reforms and changes required by the sector for tackling the challenges of today's interdependent and constantly evolving world.

IICA's strategic objective must be to support the Member States in their efforts to unleash the talent, energy and initiative of the peoples of the Americas, so as to enable the agricultural and rural sectors to compete internationally. It must therefore create a culture of excellence and efficient cooperation services that facilitate information, know-how, leadership and technical support as a contribution to improving life for people and promoting the prosperity of the nations of the hemisphere.

As an international institution in an increasingly globalized world, IICA aims to be at the forefront of hemispheric solidarity and show the way for agriculture to continue contributing to food security, social advancement and stability in the Member States.

The new administration is convinced that the strategy it is now pursuing will lay the groundwork for the IICA of the 21st Century.


IICA will be an organization with clearly defined priorities, creative leadership, decentralized operations, a modern management system, one whose work is efficient and effective. In other words, it will be an institution of excellence. Its challenges for the future, then, will be to strengthen its relations with the Member States, our partners, and to support their efforts to make the hemisphere food secure, technologically prepared, environmentally managed, and socially equitable for present and future generations.

I am also convinced that international financial and technical cooperation organizations are being called upon to fulfill a new role to add value to efforts to address the challenges that our countries face vis-à-vis economic globalization and environmental sustainability, and for building a new institutional framework of partnership and articulation among the public and private sectors, from the local to the world levels.

The new dimension of the Inter-American Board of Agriculture (IABA) and the new role it was given at the inter-American level, within the Summits of Heads of State and Government, also require that IICA upgrade its institutional capabilities, its technical, administrative and financial excellence, and its leadership. This is a task that my administration is deeply committed to, and which we hope to fulfill rapidly.

In addition, this new dimension of the IABA also offers an invaluable opportunity for our organizations and Member States to work together to foster dialogue and joint action, not only within the countries themselves, but also at the inter-American level.

Although we recognize that considerable progress has been made, it is important that this hemispheric process be further intensi-



fied. This means that we must work with the countries to establish and articulate the agendas for agriculture, rural areas and sustainable development through national and international dialogue processes. In addition, it means that we must reach agreement on clear policy instruments that will orient and facilitate the investments they require.

Fellow participants: As we work to reposition rural areas, the international community has the responsibility of working with the countries to identify and develop, with broad-ranging citizen participation, a new institutional framework (or what we call "a new national agenda of technical cooperation"). We must be mindful that we cannot address the rural world's present problems with a vision of the past; we must support genuine and sustainable efforts at the national level to define the role expected of the state, civil society and the market. I am certain that we will add much to this effort if we increase dialogue, understanding and joint action among international organizations which have been mandated to work together to benefit rural advancement in the Americas.

To continue advancing with this immediate task, I reaffirm both our willingness to work together with you and to put at the service of the institutions you lead all of IICA's capacities at the national and multinational levels, as well as the forums and meetings with the ministers of agriculture, who are the true leaders of the organization I represent today.

To guide us in this important task we have a pioneering and valuable point of reference, not only due to the results and progress that have been achieved, but also because it is concrete proof that when there is willingness and determination to work together in solidarity, great strides can be made.

For example, during the Tenth Regular Meeting of the Inter-American Board of Agriculture, held in 1999 in Salvador, Bahia, the ministers of agriculture of the Americas had the opportunity to engage in technical discussions with the IDB, the IFAD and IICA on rural poverty. One outcome was their call for increased joint efforts and the establishment of an inter-agency mechanism to give continuity to a series of meetings, international dialogues and efforts to develop strategies and the conceptual and technical framework needed to address this problem.

This innovative mechanism, to which we belong, is the Inter-Agency Group on Rural Development. It was created on March 24, 2000, by the Governors of the IDB at their meeting in New Orleans, and was designed to enable us to share our experiences and pool efforts to achieve the aforementioned goals.

Our Institute regards this initiative as an important mechanism for joint efforts with the other members of the group, and for consolidating strategic alliances with specialized national institutions, universities, NGOs and independent professionals. It has led to the conceptual development of a new vision of the term "rural" and facilitated a technical/political dialogue on the social and economic competitiveness of rural areas.

As far as natural resources are concerned, IICA and its new administration regard the efforts to promote sustainable rural development as extremely valuable. We therefore reiterate our readiness to collaborate in the creation of alliances with other institutions, to promote the sustainable management of natural resources.


Finally, I wish to take advantage of this important meeting to present for your consideration an initiative aimed at broadening the scope of our relationship within the Inter-Agency



Group on Rural Development. Let us build on its significant achievements in addressing issues specific to rural development, to extending our scope to include providing a better response to the many calls for actions to improve agriculture and rural life.

Ladies and gentlemen: We thank the IDB for inviting us to take part in this event and wish to place on record our commitment to work in coordination with other international organizations, to better meet the needs of the Member States of our institutions.

Many thanks for the opportunity to address you!



Visit by Dr. George A. O. Alleyne, Director General of the Pan American Health Organization

IICA Headquarters. April 4

Today I am very pleased to present to you a distinguished leader of the international community, Dr. George Alleyne, Director General of the Pan American Health Organization. Over the last eight years, Dr. Alleyne has given outstanding leadership to that organization which, like IICA, is an institution of the inter-American system, but whose focus is on the health sector.

Ladies and gentlemen, this moment in time is all the more significant for me personally since Dr. Alleyne is also a son of Barbadian soil.

Sir George, on behalf of all the staff here at IICA and on my own behalf, let me say that it is both a distinct honor and a privilege to welcome you to the Headquarters of this Institute. We are delighted to have the opportunity to continue to strengthen the linkages and the bonds of friendship that have long existed between our two institutions.

Rural development without rural health is virtually impossible and, in view of the many challenges facing us today, it is abundantly clear that there needs to be increased cooperation between health and agriculture if we are to effectively tackle rural poverty.

As an institution of the inter-American system and as a member of the group that is integrally involved in following up the Summit of the Americas process, PAHO represents an important strategic partner in the efforts to provide quality services to agricultural communities in our Member States.



In that regard, sir, your visit to IICA is not only a symbol of the solidarity between health and agriculture, but also of the solidarity of the inter-American system, the solidarity of Caribbean-Latin American integration, and the solidarity of Barbadian resolve to contribute to the improvement of health and agriculture in our hemisphere.

Earlier this morning, we were able to engage in fruitful discussions with our respective personnel and I am pleased that we have been able to identify some areas in which we will be able to collaborate more closely.

In closing, on behalf of IICA, I wish to reiterate a warm welcome to you, Dr. Alleyne, and to your delegation and to express our fervent hope that the remaining months of your second term as head of PAHO will continue to be as productive and satisfactory as the preceding years have been.

I thank you!



27th FAO Regional Conference for Latin America and the Caribbean

Havana, Cuba. April 25

First, allow me to thank you for inviting me to participate in this meeting, which is very important not only on account of the issues to be discussed and the stature of the participants, but also because it is taking place at a special moment.

As this is my first opportunity, as Director General of IICA, to meet with the most senior officials of the United Nations Food and Agriculture Organisation, I wish to extend a warm and fraternal greeting to your Director General, Jacques Diouf, and to all of those who collaborate with him in the Americas. I would also like to state that the General Directorate of IICA is committed to, and very interested in, working more closely with you. We stand ready to place all our institutional capabilities at the service of a new IICA-FAO alliance, with a view to meeting the ever-increasing demands on our institutions, and to engage in an open and constructive dialogue on ways to do more to contribute to the prosperity of the rural communities of the countries of the Americas, which is the goal and mission of our organizations.

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 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 our socio-eco-



conomic 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 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.

Agriculture needs to position itself within the 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. To achieve such positioning, what is needed is a new "agri-culture," a new culture for agriculture.

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

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

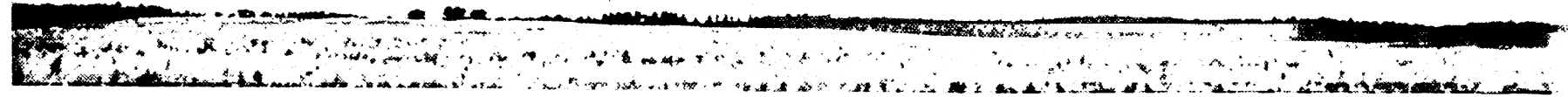
I have the great honor, and enormous responsibility, of heading the new administration of IICA. The administration is convinced that this strategy, already being implemented by the Institute,

will lay the foundations on which the institutional framework of the twenty-first century will be built in the countries of the Americas. Therefore, the challenges for the future are to strengthen relations with the Member States, which are our partners, and to help them work toward a hemisphere that is food secure, technologically prepared, environmentally friendly and socially accountable for this and future generations.

I also believe strongly that international organizations such as IICA and the FAO are called upon to play a renewed role and add value in responding to the challenges our countries are facing as a result of their participation in the new global economy, and the need to combat poverty, strengthen democratic processes, ensure the sustainability of the environment and build a new, more articulated public-private institutional framework from the local to the global levels.

Ministers, colleagues and friends of FAO: agriculture and rural life are undergoing a process of repositioning. We believe that we in the international community, together with national leaders, have a responsibility to work with the countries to identify and build, with the full participation of the citizenry, a new institutional framework that must be based on national medium- and long-term strategies for the sustainable improvement of agriculture and rural life. For us, those strategies must translate, with the participation of all the leaders of agriculture, into what we call the "National Technical Cooperation Agenda."

We must recognize that we cannot tackle the problems currently facing the rural sector with a vision that is now out of date, and that we must support genuine and sustainable efforts at the national level aimed at the construction of an institutional framework that promotes cooperation and the convergence of the State



and civil society. All this must be done within the framework of a market economy that depends on bigger and more transparent markets, and also requires that public and private organizations play a new role. First and foremost, we must strengthen processes designed to bring about modernization with democracy. I am convinced that if the link between these two elements is strengthened, all the social strata in the agricultural sector will reap the potential benefits of the new national and international environment in which agriculture operates.

The progress achieved in our relations, and our willingness to do even more together within that new framework, make me very optimistic that together we can make a significant contribution in

that direction. That is the intention of the new agreement we are signing, which calls for us to strengthen dialogue and understanding and carry out joint actions aimed at promoting prosperity in the rural communities in the Americas.

Lastly, I again thank you for inviting me to participate in this event, which has afforded us the opportunity to commit ourselves to working more closely together to comply with the ministerial agreements and meet the demands of the Member States of our institutions.

Thank you very much.

Santiago, Chile. May 6

... of ... Chile

Let me begin with a sincere thank you for this opportunity to present IICA's vision of the present and future current challenges for agriculture in our hemisphere.

I would also like to thank the Government and people of Chile for supporting my candidacy, and casting their vote for me in last year's election.

This is a special occasion, because it is the first time since I took over as Director General that I have met with a select group of representatives of faculties and universities of one of the regions committed, just as we are, to developing agriculture and improving rural life.

Therefore, I would like to briefly describe our vision of the broader context that our countries are part of today, the challenges faced by our agricultural sectors and the role that cooperation agencies are called upon to play to help the countries achieve their objectives.

In determining the cooperation we provide, we are bound to consider how the overarching global trends affect and impose limits on us, as well as the tremendous opportunities they create. A new century has just begun, one in which, for the first time in human history, the earth will become a single, interdependent society. The globalization of culture, trade liberalization and the wide-spread use of information and communication technologies, are creating an interdependent world in which everything that happens in other parts of the globe affects us in some way.



Therefore, in considering the challenges faced by agriculture and the rural population, we must bear in mind that they are affected by global trends in matters such as population, urbanization, the environment and consumption.

In today's world, technology, information and knowledge have a vital role to play in the development of countries. We know that this creates opportunities for those capable of responding to the challenges and converting them into competitive advantages. They are then able to participate in world trade and have a say in decision making. The other side of this coin is the continued existence of extreme poverty in many parts of the world, environmental degradation and population growth on a scale that poses bigger challenges than ever before.

Recent projections suggest that the world's population will reach eight billion by 2025. This will be the biggest challenge for agriculture and the world's food supply. In the next 30 to 50 years, the world will need more than twice as much food than at present and it will be agriculture's job to supply it. But there will be less arable land available, major water shortages and serious environmental degradation.

Another factor in the equation is a likely change in food preferences that would increase the demand for animal-based products, fruits, vegetables and foods processed and packaged differently from today.

It is under these conditions that Latin American and Caribbean countries must compete in world markets, implement policies aimed at achieving equity and thereby satisfy their peoples' basic needs, and ensure democratic participation. And all this must be done in such a way as to guarantee the sustainability of

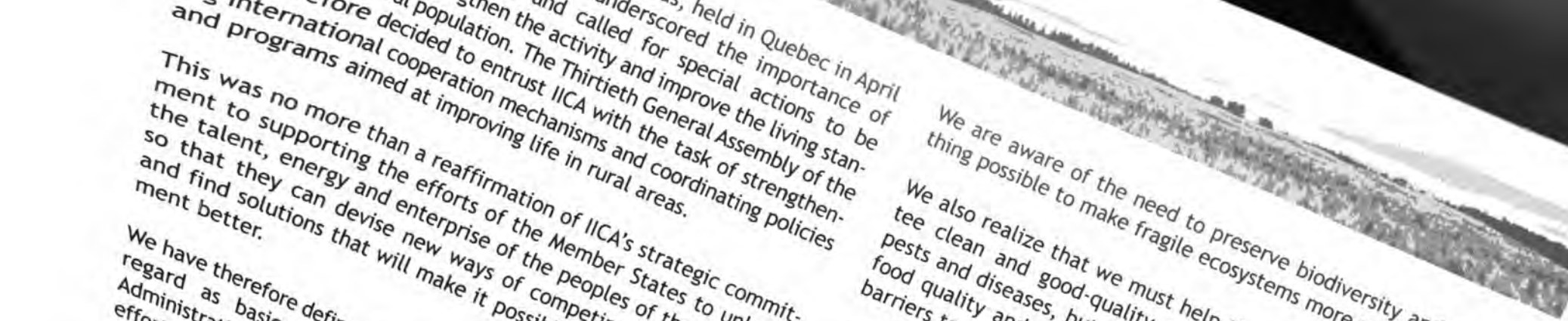
resources, as a fundamental commitment to future generations. In such circumstances, agriculture is undoubtedly a strategic factor that plays a multifunctional role. Our countries are clearly geared toward agriculture. In some of them, over half the population depends on agriculture. In others, like Chile, the rural population is small, but agriculture makes an enormous contribution to exports and, with its linkages, accounts for a large slice of the Gross National Product.

In most countries in Latin America and the Caribbean, over the last decade, agriculture has maintained a rate of growth higher than that of the increase in the population. The region's agricultural GDP as a share of total GDP increased between 1980 and 2000, despite the sustained and, in some cases, sharp falls in international prices of its main agricultural products. The efforts to improve technology and raise production and productivity led to large increases in mechanization and the use of agricultural inputs.

In many cases, our countries have had to compete on unequal terms in world markets. In 1999, agricultural subsidies in the developed nations were equal to 40% of the total value of production. In the OECD countries, they are worth US\$ 282 billion per year.

It is against this backdrop that our agricultural sectors have endeavored to improve the well-being of the hemisphere's 494 millions inhabitants, 123 million of whom live in rural areas. Another important statistic is the fact that 54% of rural households continue to live in poverty, a figure that has remained unchanged for the last decade. Chile is a commendable exception.

These and other factors have led to the importance of agriculture being recognized at the highest levels of the inter-American sys-



... held in Quebec in April
... underscored the importance of
... and called for special actions to be
... when the activity and improve the living stan-
... population. The Thirtieth General Assembly of the
... before decided to entrust IICA with the task of strengthen-
... international cooperation mechanisms and coordinating policies
... and programs aimed at improving life in rural areas.

This was no more than a reaffirmation of IICA's strategic commit-
ment to supporting the efforts of the Member States to unleash
the talent, energy and enterprise of the peoples of the Americas
so that they can devise new ways of competing internationally
and find solutions that will make it possible to manage develop-
ment better.

We have therefore defined certain strategic areas of action that we
regard as basic tools for fulfilling our mission. During my
Administration, therefore, IICA will be committed to supporting the
efforts of the countries in the fields of trade, policy and integra-
tion, to help them perform better in the global marketplace.

Likewise, we are committed to supporting the development of
agroindustry and agribusiness, fostering the incorporation of new
technologies, improving management and promoting information
systems that will make enterprises - especially medium-sized and
small ones - more competitive.

We are committed to supporting the promotion of sustainable
rural development by means of better natural resource manage-
ment, to address the extremely serious problems of deforestation,
land degradation and poor management of water for agriculture.

We are aware of the need to preserve biodiversity and do every-
thing possible to make fragile ecosystems more sustainable.

We also realize that we must help the Member States to guaran-
tee clean and good-quality agriculture, not only to eliminate
pests and diseases, but also to ensure the best possible levels of
food quality and safety, and remove sanitary and phytosanitary
barriers to agricultural trade.

Attaining these objectives calls for a major effort to modernize
both public and private institutions, transforming their role,
structure and functions to make them capable of addressing the
new conditions created by globalization and the new role of the
state in the emerging scenarios.

Many instruments are needed to achieve this. We must strengthen
our information systems, integrating our farmers into the virtual
era. We must generate capabilities for technological innovation
that provide new ways of producing food, and do this through hor-
izontal cooperation, in order to tap the resources that exist in the
countries of the region.

But, none of this will be possible without a major effort to devel-
op our human resources, and this is where the work of an inter-
national organization like IICA and your efforts, as the people in
charge of agricultural education, coincide. I believe that in his
opening words our Representative in Chile described more specif-
ically the objectives we are pursuing in our cooperation in the
area of higher education. There is no need for me to go into
detail, therefore, but, as Director General of the institution of
the Inter-American System specializing in agricultural develop-
ment, I would just like to add that we regard your work as both



fundamental and strategic if the countries are to achieve their goals in the fields of agricultural and rural development in the years ahead.

Our countries need more capital to develop human resources, to train and educate people in rural areas, equipping them with the know-how to improve the state of natural and environmental resources, and interpret and adopt the changes needed in production processes. They especially need a vision of the demand for the types of products they produce. These are areas in which the agricultural and rural sectors need the help of the people in charge of education and training.

As the Ministers of Agriculture stated in their Declaration at the meeting of the Inter-American Board of Agriculture in Bavaro, Dominican Republic, it is essential to "implement differentiated strategies and programs that enhance the possibilities for development in agriculture through increased investments in the development of human capital, particularly for vulnerable groups."

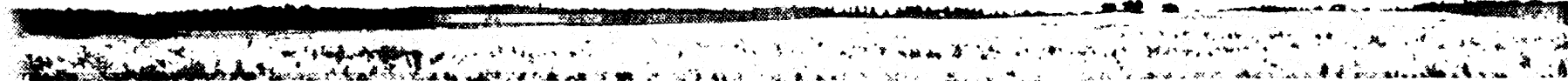
When IICA was created 60 years ago, one its core commitments was the training of human resources. Its subsequent development was linked to the growth of academic education, postgraduate courses and the most important technological centers in the region. The Permanent Program for Graduates of Chilean Universities, created in the 1960s, the postgraduate schools of Balcarce in Argentina and La Estanzuela in Uruguay are some examples of the results achieved by the faculties of the countries of the area, with administrative technical cooperation from IICA. For years, our professionals were involved in the formulation of courses and the development of diploma and master's degree programs. They also took part in the creation of faculties and aca-

demical units and helped articulate the action of the universities with the developed countries. Through all of this, they contributed to the generation of a mass of knowledge that was of key importance to agriculture and rural life in our countries. Our participation in the Latin American Association for Higher Agricultural Education (ALEAS) and in the chapters in the countries, the so called PEPA Courses on the preparation and formulation of projects, were other examples of our commitment to the development of human resources in the region, to meet the challenges of the new agriculture.

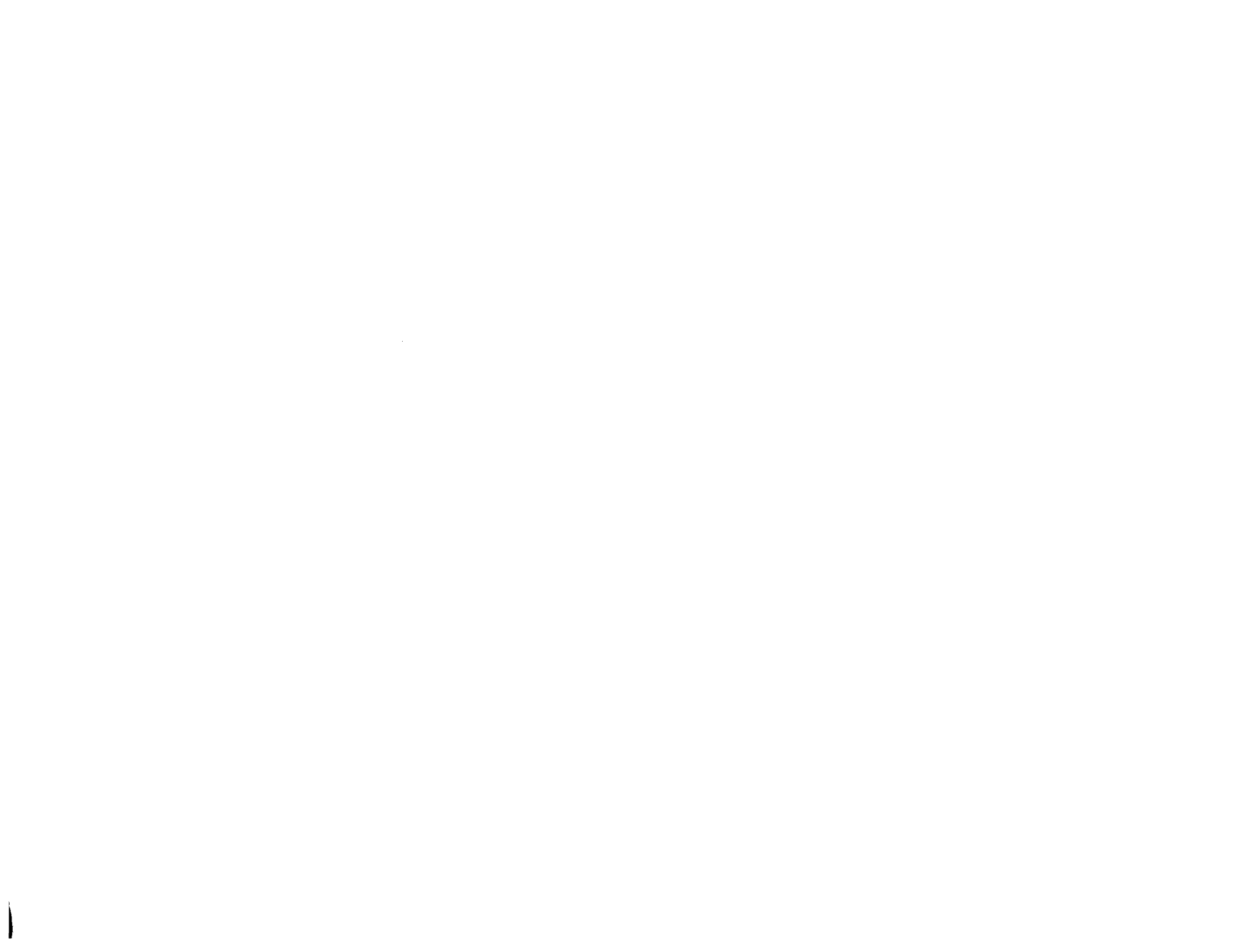
Today we wish to renew that commitment within the framework a new scenario and join you in the efforts to integrate our societies into the society of knowledge that is beginning to take shape.

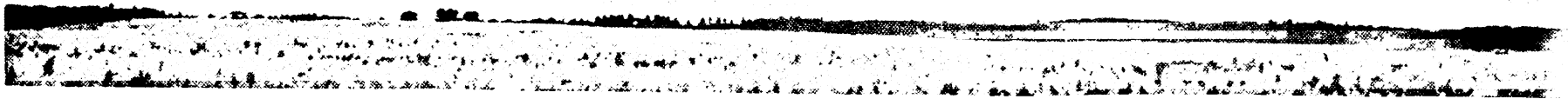
Finally, allow me to congratulate you on the work being done by this Regional Forum, the progress you have made and your commitment to the integration of our countries, eliminating national barriers. This will undoubtedly not only help to improve trade relations and open up markets to our professionals, but above all, to forge the spiritual and cultural unity that we so badly need.

I appreciate the opportunity to visit Chile and to share with the authorities of this country, who are also receiving the delegates from the expanded MERCOSUR. Creating a forum for dialogue on agriculture, on the positions of the productive sector, processors and the government, is a splendid achievement, and one that is worth replicating elsewhere. It has resulted in specific agreements and a long-term vision for the sector, set forth in the 2000-2010 State Policy for Agriculture, in the formulation of which all the actors in the country's agriculture and rural life took part.



Today Chile and its agriculture face a new challenge, along with its neighbors in the expanded MERCOSUR and all the countries of Latin America and the Caribbean: supplying a European market of 350 million people under a free trade agreement with the members of the European Union, in which agriculture is a clear priority, especially in the cooperation that will take place among the parties and in which Chile will be able to benefit from the upgrading programs to which only the Member States of the European Union have access at present. For all the reasons mentioned, today more than ever the challenge is to train the human resources involved in agriculture and rural life to compete and successfully share the results of the Agreement.





Visit by the Minister of Agriculture and Livestock of Costa Rica

IICA Headquarters. May 27

Our guest of honor today is Mr. Rodolfo Coto Pacheco, Minister of Agriculture and Livestock of Costa Rica, the host country of our Institute. Welcome to IICA, Mr. Coto.

Even though Mr. Coto assumed this important post only a few days ago, he has visited IICA on a number of occasions in the past as President of the National Chamber of Agriculture and Agroindustry.

As all of you know, our Institute, originally known as the Inter-American Institute of Agricultural Sciences (IICA), was founded on October 7, 1942, in Washington, D.C. At that time, the visionaries who founded the Institute wisely selected this great country, Costa Rica, as the headquarters for our organization.

This year, we will be celebrating 60 years of institutional life. Throughout these 60 years, we have enjoyed the support and recognition of the Government of the Republic of Costa Rica, and known what it is to live and work along side its noble and cultured people, in peace and democracy.

Thank you very much, Mr. Minister, for your visit. The doors to the Institute are open to you, and we look forward to strengthening our cooperative relations.

I respectfully request that you convey to His Excellency the President of Costa Rica, Dr. Abel Pacheco; to the Foreign Minister, Mr. Roberto Tovar; and to other government authorities, our desire to work closely with them.

Mr. Minister, please consider this your home, and let us know how we can be of help.

Thank you very much.



Inaugural Session of the First Meeting of Permanent Liaisons of the Ministries of Agriculture for the Puebla-Panama Plan

IICA Headquarters. May 27

I welcome Rodolfo Coto, Honorable Minister of Agriculture and Livestock of Costa Rica; Mariano Jimenez, Secretary of Agriculture and Livestock of Honduras; and the distinguished representatives of the ministries and secretariats of agriculture of Central America and Mexico, who honor us today with their presence in this house of agriculture and the rural milieu of the Americas.

First of all, I would like to congratulate the governments of Mexico and Central America for their joint efforts to improve the quality of life of the inhabitants of Mesoamerica through the Puebla-Panama Plan, demonstrating once again the strong bonds that unite their peoples.

I am pleased that our Institute is the venue for this important meeting to establish the key points of a proposal to include the agricultural sector as a strategic and priority component of the Puebla-Panama Plan. This was called for by the ministers of agriculture at CORECA's Twenty-first Regular Meeting, held last June in Belize, and reaffirmed at the Eleventh Regular Meeting of the Inter-American Board of Agriculture.

I would like to assure you that IICA, which is your institution, will provide cooperation in its areas of technical excellence, because it is our Mission to support the Member States in their efforts to bring about progress and prosperity, 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 people of the Americas.



I believe that it will be of fundamental importance to the Puebla-Panama Plan to find strategic partners to serve on an inter-institutional task force in support of this Mesoamerican initiative by the agricultural sector. Here, too, IICA offers to contribute actively in this endeavor, through its Directorate for Strategic Partnerships, which we created for the purpose of forging and coordinating international alliances that bolster the Institute's technical work and financial base so that we may provide better services to our member countries.

I would also like to inform you that, through our Cooperation Agency in Mexico, we have already begun our cooperation efforts to include the agricultural sector in the Puebla-Panama Plan, with

the creation of the Agribusiness Council of Mesoamerica, which held its first regular General Assembly meeting this month in Nicaragua. This initiative is of great importance to the Institute because one of the cornerstones of the new administration's actions is to increase private sector participation.

In conclusion, I wish you the greatest of success in this meeting, which will have an important bearing on the future of the rural milieu and the agricultural sector, and provide an opportunity to take advantage of the great window that the Puebla-Panama Plan has opened up at the international level.

Thank you very much.



Fourth Meeting of the Alliance for Sustainable Development of Agriculture and the Rural Milieu

Bridgetown, Barbados. June 6

I wish to say that this is a very special and momentous occasion for me. This is the first opportunity I have had since I was elected Director General of IICA to meet, as a group, with all the major stakeholders involved in the process of repositioning agriculture and enhancing rural life in the wider Caribbean. Therefore, I wish to give my sincerest thanks to all of you for the successful individual and collective contributions that led to my election as Director General. Similarly, I want to express my appreciation for the outpouring of support subsequent to my election.

Indeed, although my election is of course of personal importance, I believe it is even more important for the people of the Caribbean because it shows that, although we are small in size and number and cannot be described as financially well endowed, once we act collectively, work hard and strive for excellence, we can and will be successful. I consider this group, the Alliance, to be a significant mechanism, one that will enable us to work together to successfully meet the challenges and grasp the opportunities that lay ahead for Caribbean agriculture.

Let me say from the start that IICA supports the concept of the Alliance. It is a model for the other regions in the hemisphere to examine and possibly to emulate. It has an important role to play in monitoring the implementation of the mandates of the Quebec Summit and the Declaration of Bavaro.

As you all know, we are meeting at a time when there is a renewed thrust to improve agriculture and rural life in the countries of the Americas, in response to a mandate from our Heads of State and



Government. At their 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. We also recognize the key role you played at crucial moments in the process to prepare for this historic summit.

We consider the Summit to be of historic importance because our political leaders recognized the strategic importance of agriculture for our societies, placing it for the first time on their hemispheric agenda. They gave that recognition to agriculture because it is a way of life for millions of rural families in the hemisphere, because of its role in the creation of prosperity, and because it is a strategic sector of our socio-economic systems. They also recognized the urgent need to develop the enormous potential in the region to create prosperity in the countryside in a manner compatible with sustainable development.

More recently, the ministers of agriculture met in November 2001 at the First Ministerial Meeting on Agriculture and Rural Life, held in Bavaro, Dominican Republic. At that meeting, they recognized that we are at a turning point for agriculture and rural life in this hemisphere, and issued the Declaration of Bavaro for the improvement of agriculture and rural life in the Americas.


In drafting the Declaration of Bavaro, the ministers were very cognizant of the commitments they assumed at the World Food Summit, held in 1996, and at the Third Summit of the Americas, held in 2001. Among the subjects they considered essential were the need to make significant progress in the areas of food security and rural poverty, through ten types of strategic actions that you will be able to read about in the document I have brought for you.

Recognition of agriculture and rural life in the Third Summit's mandates, combined with the ministerial agreements in the Declaration of Bavaro, contributed significantly to efforts to redefine their value. It also created new challenges, as it requires changes in the concept of and traditional role society assigns to agriculture. It also demands changes in agriculture's linkages with the rest of the rural sector and urban areas, and in the performance of leaders in the public and private agricultural sectors. The question, then, becomes how to translate this empowerment into specific actions that enable us to join forces, generate new resources and articulate joint actions at the national and international levels that will lead to the sustainable development of agriculture and prosperity in rural communities.

It will take commitment and the articulated efforts of national and international development organizations to be able to respond to this issue. As we know, the support required by agricultural leaders to achieve said development and prosperity exceeds the possibilities of any one organization, especially because the scenarios in which agriculture operates will be increasingly shaped by the new global economy.

Therefore, another challenge for agricultural leaders will be to strengthen their position in the economy of information and knowledge (which is characterized by a tremendous increase in research and innovation), in the economy of globalization and integration (where trade relations are based on an aggressive tapping of competitive advantages), and in the economy of interconnected transnational networks (which can determine where investments are made).

The new global economy of the twenty-first century is gaining force rapidly, generating opportunities for some, especially those who have access to information and the know-how for changing and



adapting rapidly in order to compete in new areas. It is also generating more inequality for those who are trapped in the knowledge and institutions of the past. Aware of this situation, our highest political leaders have called upon us to institutionalize dialogue in agriculture and to establish partnerships with international and national strategic organizations in order to generate new synergies that, in turn, will generate the knowledge and attract the resources needed to meet the new challenges. Furthermore, motivated by the responsibility given to IICA by the OAS at its Thirtieth General Assembly (June 2000), the Institute has decided to promote a new **hemispheric platform for dialogue, alliances with strategic partners, and investments.**

This hemispheric platform will provide a means for the stakeholders in agriculture to benefit from know-how generated in the hemisphere and the rest of the world. This, in turn, will impact on hemispheric and global trends in areas that are critical for the sustainable development of agriculture and rural communities. The intention is to link the flow of knowledge and resources available at the local and national levels with same at the regional, hemispheric and, finally, global levels. We can no longer act as if what happens at the hemispheric and global levels does not affect the local and national levels, and vice versa; everything must be closely linked.

Establishing a hemispheric platform to link those different levels of action provides an opportunity to:

- Link the community of agriculture and rural life with the society of knowledge;
- Develop new types of cooperation between countries and international organizations to involve the stakeholders of agriculture;

- Organize and increase the flow of national and international investments toward agriculture and the most disadvantaged rural communities; and
- Gain national and transnational recognition for the Institute as a committed and reliable partner in the new paradigm of global governance.

IICA's new administration, which I am honored to head, is convinced that this **strategy for transforming rural isolation into a global network of prosperity** will constitute the foundation for the institutional framework to be built by the countries of the Americas in the twenty-first century. This strategy is already being implemented by the Institute, and the Caribbean Alliance is a key element of it.

We also recognize that the Caribbean Alliance emerged as a modern response to the challenges before us. The path it has followed in these two years has revealed its potential for meeting the new challenges. It also showed us that it is necessary to work together with other regions and with hemispheric and global networks.

Thus, the challenges for the future include creating and strengthening regional mechanisms similar to yours. This will enable us to weave a new institutional fabric committed to the search for a hemisphere that is food secure and that has an agricultural sector that is technologically prepared, environmentally managed and socially accountable to this and to future generations.

Honorable ministers, leaders, colleagues, and friends: We are all part of efforts to reposition agriculture and rural life. We believe that the international community must work together with national leaders to help identify and forge, with the full participation of civil society, a new institutional framework based on



national medium- and long-term strategies for the sustainable improvement of agriculture and rural life. For us, these strategies must be translated, with the participation of all the leaders of agriculture, into what we call the "national technical cooperation agendas," which will set the course for IICA's actions in each country.

Those national agendas, together with the regional agendas being proposed by IICA with its Caribbean Member States, will organize IICA's efforts to:

- Assist the small economies of the region, which are facing the twin challenges of eliminating poverty and promoting competitiveness, in entering the global economy;
- Facilitate the sharing of experiences and foster reciprocal learning, giving consideration to networking and the benchmarking of institutions in the hemisphere;
- Strengthen the linkages among IICA Member States;
- Facilitate effective horizontal technical cooperation between IICA's large, more developed Member States and its small developing Member States.

In addition to its support for the Caribbean Alliance, IICA is committed to supporting its Caribbean Member States in the following strategic areas:

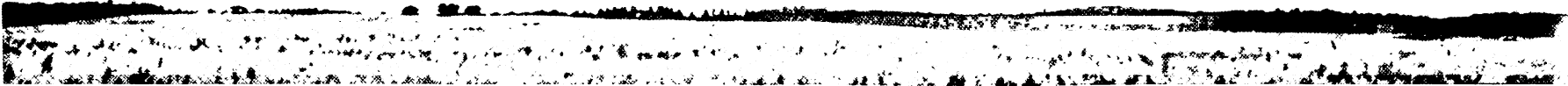
- Strengthening their trade negotiating capacities;
- Supporting their capability to gather, generate and disseminate technology;
- Supporting agricultural enterprises with agribusiness services and providing linkages between Caribbean agribusiness and Latin American markets;

- Assisting the ministries of agriculture in their efforts to bring about institutional reform;
- Supporting the program for horizontal technical cooperation between the Caribbean and Latin America (CARILAC); and
- Supporting the development of a regional agro-tourism center, in cooperation with relevant tourism organizations, in order to explore opportunities for effectively linking hotels and cruise lines with local food producers, to foster an awareness of the need for increasing the quality and reliability of local food production and to promote indigenous agricultural entities as definitive tourism experiences.

We must recognize that we cannot address the problems currently facing the rural world with a vision from the past. We must support genuine and sustainable efforts at the national level to build an institutional framework that promotes cooperation and the convergence of the State and civil society. This must be done within the framework of a market economy that seeks more extensive and transparent actions on the part of the markets, and that demands, in turn, a new role for public, private and international organizations.

In that regard I would like to share with you a document which describes the changes we are making in IICA to respond to this new reality. A copy of the document "Focused on People and Committed to the Future: The first 100 days report" has been distributed.

We would like to renew our commitment to support this innovative mechanism, which, in the Caribbean area, is the Alliance for



the Sustainable Development of Agriculture and the Rural Milieu. Together, we will strengthen dialogue and understanding, and will reach agreement on joint actions with other mechanisms in other regions to promote prosperity in the rural communities of the Caribbean.

Lastly, I thank you again for inviting me to participate in this event, which we view as an example for the rest of the Americas. It has afforded us the opportunity to commit ourselves to working more closely with you to fulfill the ministerial agreements and to meet the challenges that Caribbean agriculture must address in order to tap new global opportunities. This will make it possible to balance an appropriate response to the demands of the countries with the creation of demand for new products and services linked to emerging issues, in such a way that they also contribute to development with more efficient investments and a more effective use of available resources.

Thank you very much.



Eighth Annual International Conference of Montreal

Montreal, Canada. June 25

First of all, allow me to thank the Chair of this Conference, Mr. Gil Rémillard, for inviting me to participate in this Eighth Annual International Conference of Montreal. I am delighted to be here and am very pleased to have this opportunity to address the theme of Emerging Agri-Food Challenges: From Policy to Action, and more specifically, the topic of innovation, environment, and food safety.

The Conference of Montreal is increasingly gaining importance as a key forum for policy and decision-makers to share information and best practices on the challenges that countries face to participate effectively and fully in the new economy. I am very proud that the Inter-American Institute for Cooperation on Agriculture (IICA) is a co-sponsor of this important conference. It is a privilege and a pleasure for us at IICA to have provided support toward its organization.

This year, IICA is celebrating its 60th anniversary, and in January I took office as its ninth Director General. My first task was to reposition IICA in the context of the 21st Century and formulate a new vision that promotes sustainable agricultural development, food security and prosperity for the rural sector of the Americas. This vision recognizes that, in any nation today, development of the agricultural and rural sectors today cannot be seen only as an effort to help marginal poor 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.



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

With offices in 34 countries of the Americas, IICA is well positioned to facilitate the transfer of knowledge, technology, innovation and experiences among its Member States, as well as to provide the technical support base for agri-business.

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.


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.

Rapidly changing global economic conditions are influencing the development of agriculture in the Americas. Eight major factors are central to this new dynamic:

1. The increase in globalization and trade;
2. Liberalization of world markets;
3. The increase in population and urbanization;
4. Advances in biotechnology;
5. The development of new information and communications technologies;
6. Changes in consumer preferences;
7. Increased attention to environmental concerns; and
8. New government policies.

For example, with regard to population growth vis-à-vis economic growth, recent statistics show that by 2025 the world population will grow to eight billion. This numerical increase will challenge agriculture and world food supplies as never before in the history of our planet. The impact of this increase will be compounded by rapid economic growth in key regions of the world, which will alter the world's eating habits and increase total food consumption. Much of this population increase is expected to take place in the cities of the developing world.

From the technological viewpoint, in the coming years, agricultural production and research systems will be increasingly challenged to keep abreast of changing dietary preferences and will have to utilize all the technologies, policies and management systems available to it to increase productivity and profits in the rural sector. It is encouraging that substantial developments over the past 20 years in biotechnology and genetic engineering offer us today new prospects for increased agricultural production and productivity.



Improved education, 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.

As a result of these changes, the following new trends are appearing for the countries of the Americas in the area of agribusiness:

- The proposed Free Trade Area of the Americas (FTAA) will create a hemispheric market of some 800 million people. This will create a rich opportunity for the Institute's Member States to learn and draw lessons from each other's diversified experiences in agricultural development.
- This new hemispheric market will provide unprecedented opportunities for trade in agricultural products, including the establishment of an inter-American agribusiness community, which will be the largest in the world at a time when our hemisphere is emerging not only as the fastest-growing subregion of the world, but also as the subregion with the greatest potential for future growth.
- A new consensus has formed in the Americas, which recognizes that the small economies of the hemisphere now struggling with the twin challenges of eliminating poverty and promoting sustainable development must be assisted in their efforts to integrate into the hemispheric and global economies.

- A large proportion of the population of Latin America and the Caribbean are employed in agricultural production and associated activities and, in most countries, the export of agricultural products represents their most important source of foreign earnings.

Agriculture in the Americas in the 21st Century must be competitive. It must seek to produce value-added products, while being environmentally sustainable, and it must respond to the ever increasing demand for nutritional, processed convenience foods.

The effective participation of small- and medium-scale producers in the agrifood chain is an essential element of our pursuit to alleviate poverty and improve the lives of the people of the Americas. This requires development of a market model that strengthens the negotiating capacity of these producers so that they can compete in growing markets under equitable terms.

Market development implies promoting agribusiness, organizing small- and medium-scale producers, and linking agricultural activities more closely to prevailing conditions in national and international markets.

Projections of population growth and the shrinking of the agricultural frontier suggest that food production must grow through sustained increases in productivity, without neglecting commitment to the environment, food safety and quality. This conjugation of elements is one of the greatest challenges currently facing agricultural entrepreneurs and policy makers.

One cannot discuss the expansion of agrifood markets without touching on trade liberalization and trade negotiations. In 2000,



the WTO began negotiations on agriculture with a view to facilitating greater market access especially for agricultural products originating in developing countries? substantial reduction in export subsidies, and a more rigorous discipline in the use of domestic support measures for agriculture.

Discussions on matters relating to food security as well as the effects of the reform process on the Least Developed Countries and Net Food-Importing Developing Countries should facilitate the application of effective measures, among them *special and differential treatment* that will really favour this important group of developing countries.

The *new themes* on the agricultural agenda ? including export restrictions and credits, sale of state-owned companies, food safety and rural development issues? will produce new supranational guidelines in these fields.

The negotiations under way to create the FTAA, and the negotiations related to bilateral and regional free trade agreements have all incorporated agriculture into their agendas, taking into account both the dimension of agri-food trade as well as social and environmental considerations associated with agriculture and the agri-food trade.

In the case of Latin America and the Caribbean, to date the participation of the ministries of agriculture in international trade negotiations has been limited and insufficient.

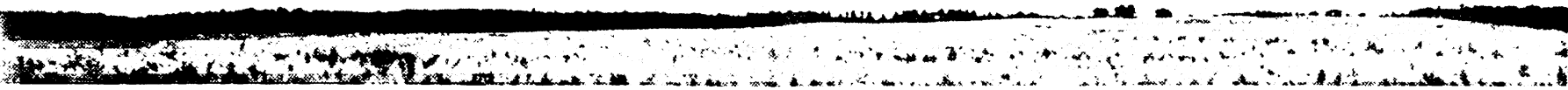
In most cases it has been more formal than real, despite the fact that *they are in the best position* to bring to the negotiating table the *concerns of important, emerging stakeholders* that will be *directly affected* by the application of any agreement signed.

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 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 led to plant and animal pest disease control methods coming 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 in this area, 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.

The increased use of information and communications technologies is offering solutions to many of the challenges facing us today in the agricultural sector. This must be a priority for all governments. As globalization and market integration gather momentum, these new technologies are contributing to bringing about changes in and the responses to both the demand for and the supply of food.



The changes that have taken place in information and communications technologies in the last decade are giving rise to new opportunities for the agricultural sector. They are providing easy and immediate access to market information, business opportunities, consumer preferences, and competitors' actions around the globe. They are also making it easier to publicize, promote and disseminate information to both current and potential clients.

Only by modernizing information and communications 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, with serious consequences showing up 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 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 into animal and crop production, which might not otherwise become evident until the end of the chain.

In recent years, the size and budget of the ministries of agriculture in a number of countries in the hemisphere have been significantly reduced, 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. We cannot have a successful agricultural sector with Government support.

Governments must establish the terms for a new relationship with the private sector and non-governmental organizations as strategic partners in our quest to fulfil, in an integral and intersectoral manner, the many food safety and agricultural health responsibilities related to production, trade and the environment.

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.

For this and other reasons, we have recently signed an agreement with the Pan American Health Organization so that together we can tackle the twin problems facing health and agriculture in rural communities.

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 and 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.

New Technology and Innovation

Technological innovation in agriculture cannot be ignored when discussing food safety, improved markets and sustainable agriculture. It is generally accepted that growth accompanies the incorporation of technological advances into production process.

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 during the last four decades have been due to


the use of improved seed varieties, modern technological inputs, and agronomic information. In many countries, substantial increases in agricultural productivity have been achieved for several commodities, including corn, wheat, potatoes, rice, beans, sunflower, and soybean.

The adoption of new technology has yielded significant economic benefits, as measured by the rates of return on investments in technological development in agriculture. 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 are developing important programs for improved technology.

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 emphasizes actions to strengthen national agricultural research systems, foster the exchange of technological information between countries, and promote greater cohesion between regional mechanisms for research cooperation.



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.

In conclusion, agriculture and agribusiness development are an integral part of the sustainable development of a country's economy and society. The modernization of agriculture is essential if countries want to have a bigger role in agricultural trade, and thus improve their economies. To do so, governments must facilitate access to technological innovation for production, capital investment, and business initiatives.

Market access is a necessary complement of policies to liberalize trade and to enhance the competitiveness of agri-food chains. To this end, trade negotiations, clear rules of the game for boosting agri-food trade flows, and timely information for decision-making are necessary for effective market access.

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.

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 underscore three conclusions:

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



Concluding remarks on national development, when I entered Cornell University Graduate School in 1966, one of the first meetings we had as postgraduate students was with the Head of the Department, Professor G.C. Kent. Professor Kent gave us an address entitled: "Where are you going". He pointed out that this Department demanded excellence in our work and he presented a quotation attributed to the Greeks which read "Before the gates of excellence the high Gods have placed sweat; long is the road thereto and steep and rough at first".

This quotation is as true for Jamaicans as it was for the Greeks. The ingredient which we need to weather the current economic storms is hope and rededication to excellence in our work, in our homes and in our communities so that what we produce is of lasting value.

One of the United States of America's greatest presidents said: "We hold these truths to be self evident that all men are created equal, that they are endowed by their creator with inalienable rights and that among these are life, liberty and the pursuit of happiness". In this small nation we have enjoyed the right to life, we have liberty and we have pursued happiness. Let us treasure these rights and let us protect them so that the life of our children and our children's children will be meaningful, purposeful and fulfilling.

Let us rekindle the spirit of community, let us return to the pride of satisfaction in a job well done and let the old and tested values of thrift, patience, self restraint and discipline be the guiding principles of our lives once more.

Ours is a country of resourcefulness and resilience, a people rich in culture and tradition; a country of respect for hard work where we jealously protect the Christian way of life.

This country has achieved great things with limited material and natural resources. Let us now seek to preserve them for the future. We cannot tolerate poor standards in our services and productive sectors and build a productive economy.

The youth of this nation must rise to the challenges of our time. The challenges of our time do not require less responsibility, they require more responsibility. The challenges of our time do not require less discipline, they require more discipline. The challenges of our time do not require less hard work, they require more hard work. The challenges of our time do not require less tolerance, they require more tolerance. The challenges of our time do require more of all the characteristics which have made us proud. Let us recapture the dream of our forefathers, let us rekindle the flame of hard work, let us strive for excellence so that although small, we can continue to stand tall among the nations of the region and the world.

Some years ago I read an article on the development of Singapore, a country that is often discussed as a model for development among small developing countries and the article dealt with the 10 keys to success in the development of this small nation.

The key that was singled out as the most important for success was the ethos of the people, their social discipline, hard work, thrift, perseverance, ambition and honesty. We have these characteristics in Jamaica and they have in large measure been responsible for our successes. Let us, therefore inculcate these values in our children that our progress can be maintained

These are difficult economic times not only for the small developing countries but for the developed ones as well. We are in the grip of a new dimension in world development in which informa-



tion, communication, the individual, the entrepreneur and the private sector will play an increasingly important role.

Given the task at hand, I challenge each and every one of you, but especially the young people, to take hold of the dream of our forefathers and return this country to its place of pride and industry. I ask of you in the name of our nation's heroes: Nanny, Sam Sharpe, Paul Bogle, George William Gordon, Marcus Garvey, Sir Alexander Bustamante and Norman Washington Manley let us all work together to defeat the forces which seek to undermine the stability and progress of our nation.

We must rise to the challenges of our time and work hard for a brighter tomorrow. As we have overcome difficulties of the past so too will we conquer the dangers of the present and will emerge a stronger people, better prepared to take our rightful place on the regional and world stage, confident that the vision of our forefathers has been fulfilled.

And finally, in the words of our 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.



Regional Council for Agricultural Cooperation (CORECA), Twenty-Third Regular Meeting of the Council of Ministers

IICA Headquarters. August 30

A cordial welcome to all of you. It is an honor for IICA, the House of Agriculture, to serve as the venue for such an important event. The highest authorities of the agricultural sector of Central America, Mexico and the Dominican Republic have gathered here to discuss, among other things, their joint efforts and the future operations of organizations such as CORECA and CAC, which we have strongly supported since their creation.

Our support began formally on August 11, 1981, in Buenos Aires, Argentina, when IICA and the Ministers of Agriculture of Central America and the Dominican Republic signed a technical cooperation agreement calling for the creation of CORECA, joined subsequently by the Secretariat of Agriculture of Mexico in 1984 and the Ministry of Agriculture of Belize in 1996. The objective of the agreement was to foster a joint decision-making process that would generate resolutions of common interest regarding the problems of agricultural and rural development, through reciprocal technical cooperation and the identification and preparation of regional studies and projects.

Today, we render tribute to the vision of those leaders of the regional agricultural sector, who, despite the grave political crises affecting Central Americas at the time, were determined to make CORECA a reality.

The Central American Integration System (SICA) was created in 1991. In recognition of the importance of agriculture in the integration process, the Central American Agricultural Council (CAC)



was established under SICA. Since then, CORECA and the CAC have worked closely together, and share a Secretariat.

That same year, the relationship between Mexico and the Central American region was strengthened thanks to the Tuxtla Mechanism for Dialogue and Consensus, whose most recent and promising component is the Plan Puebla-Panama, approved by the Presidents in June 2001. Also noteworthy is the signing and negotiation of several free trade agreements between Mexico and the countries of Central America. These events are testament to the validity of the original objective of CORECA, and the importance of the CAC in strengthening cooperation and integration in the agricultural sector in the region.

Today, the Council of Ministers will study a number of proposals aimed at making decisions that will consolidate, with an integral vision, the work of CORECA and the CAC in the region.

In this regard, I again reiterate IICA's commitment, not only to provide technical cooperation, but to work to ensure that agriculture is a topic of discussion in the hemispheric and regional debate on a new vision for the sector and rural development.

You can be certain that IICA, which is your institution, will continue to provide cooperation to both CORECA and CAC, regardless of what institutional arrangement you agree on today. After all, it is our mission to support the Member States in their search for progress and prosperity, 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.

Ministers, ladies and gentlemen, may the decisions that emerge from your deliberations benefit agriculture and rural life throughout the region.

Thank you very much.



Opening Address at Representatives' Week

IICA Headquarters. September 2-6

Representatives, Regional Specialists, Directors, Project Specialists, IICA Staff:

Let me begin by welcoming you all to Costa Rica and to IICA Headquarters and to thank you for responding to our call for a week of dialogue and consultation. We believe that we cannot advance in our efforts to forge a new agenda for agricultural and rural development in this Hemisphere without sharing views and opinions about a common vision for the future.

As I indicated during the campaign last year and during my 8 months in the job, that vision must be based on partnership, cooperation, commitment and a resolve to build an institution that better serves the needs of the Member States. Those perceptions are now included in our Medium Term Plan and I am pleased to note the effective participatory process which you followed in preparing the national agendas.

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 the greatest challenges is to solve the problems of 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. Let us demonstrate to the world our concern. Let us demonstrate to those who support this institution that we, as a body of professionals, can rise above the narrow confines of personal agendas and petty jealousies and can embrace the larger vision of service to humanity.

As I said in my Inaugural Address on January 15th 2002, there are those who see the future with fear and apprehension; I see a future of opportunity and prosperity as we harness the technological advances of our times in order to bring about a gentler and more humane world.

Our Institute must rise to the challenge and embrace a future fashioned by a resolve to achieve global cooperation and a 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.

With the countries of the Americas on the verge of establishing the Free Trade Area of the Americas (FTAA) and the new mandate given to the Institute in the recently concluded Third Summit of

the Americas and the OAS General Assembly, IICA's importance as an institution promoting hemispheric integration of the agricultural sector takes on new significance.

In this new context, the Institute must focus its technical cooperation programme to provide the assistance required by the Member States. It must institute a process of internal consolidation and project 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.

IICA must continue to assist in the preservation of the democracies of the hemisphere by contributing to the alleviation of poverty and to reducing social inequities.

IICA is the only international organization for agriculture with offices in each of its thirty-four Member States. Therefore, it is well positioned to facilitate the transfer of knowledge, technology and experience among the countries and must provide the technical support base for agriculture in efforts to construct the Free Trade Area of the Americas (FTAA).

IICA must become a true network of hemispheric cooperation that facilitates access to information, technology and experiences on the Member States' agricultural sectors, making it accessible from any country of the hemisphere. This sharing of information, technology and experiences will facilitate the hemispheric trade in agricultural products, support the implementation of the FTAA, and facilitate globalization.

The Institute's work in the future must be driven by opportunities that foster the formation of strategic partnerships with institu-



tions and enterprises having complementary capabilities, working together to exploit these opportunities.

It is therefore important that we engage in opportunity-driven technical cooperation, opportunity-driven communication, opportunity-driven training programmes, with a private sector-oriented mindset, so that the results of our efforts are tangible and meaningful.

IICA must be an institution with principle-centred leadership where the core values of tolerance, flexibility, accountability and commitment are held high, and the mindset of a learning organization is developed.

We cannot escape the sacred responsibility of our times, which must be to make life better for the 177 million people who live in poverty in the countries of the Americas. It cannot be business as usual for IICA in a hemisphere where there are vast areas of material prosperity, but where a substantial part of our population still finds it difficult to acquire their basic needs of food, clothing and shelter.

Open markets led to a boom in trade that swelled from 18% of global economic output in 1990 to 26% of global economic output in 2000. Globalization has helped disseminate investment capital, technology and entrepreneurial ideas throughout the world. But globalization without humanity and social equity will not benefit our world.

We must move rapidly to address the fears of those who see only the dark side of this new movement, such as job loss, destruction of cultures and environmental degradation. We must seek to comfort them with an approach that is inclusive for all the people.

I am fully aware that the success of our efforts will depend on the quality and dedication of the leadership, as well as the commitment, application and competence of our staff. I therefore call on all our staff to rededicate themselves to a life of service where their efforts can contribute to enhancing the lives of people and to building a hemisphere of rural prosperity.

- The IICA of the 21st century must celebrate excellence, superior performance, and commitment to the purposes of the Institute, placing human relationships at the centre of our work.
- IICA must tolerate and value the diversity of cultures, genders, races, religions and other differences. IICA must celebrate constructive creativity that moves human barriers from the realms of the impossible to reality.

A modern IICA must forge a destiny that is exemplary in the international arena and where, despite our small size, we can be a beacon of competence, integrity, performance and technical excellence. Let us therefore rededicate ourselves to the goals of our Institute, let us build IICA for today and for the 21st century.

Today we must move from vision to reality. That reality involves a plan and plan implementation. The basic requirement now is commitment at all levels of our organization.

We need the commitment of our support staff, the commitment of our representatives, the commitment of our regional specialists, the commitment of our professionals, the commitment of our secretaries, and the commitment of our Board and Executive Committee.



It cannot be business as usual for IICA when the poorest 20% of the population of our countries receive only 4.5% of national income, and persistent poverty, expressed in terms of violent crimes, anti-social and illegal activities, production and trafficking in illicit drugs, continues to pose a serious threat to national social stability and the processes of democratic governance.

Our institution must recommit itself to improving the welfare of the rural poor and must have as its sacred responsibility to ensure that progress is made toward the goal of rural prosperity in our times. If there is not, future generations will not forgive us for failing by our deeds or lack thereof to give meaning to the principles of human dignity enunciated in the United Nations Charter and the Universal Declaration of Human Rights to which we all are witnesses and our countries signatories.

Let us work not as a Caribbean people, nor as a Latin American people, nor as a North American people for the narrow benefit of any group alone, but together, as citizens of the Americas for the common good of our common community of nations, of our common hemisphere with a common destiny.

To quote the Reverend Martin Luther King: "We are caught in an inescapable network of mutuality, tied to a single garment of destiny. 'Let us therefore work together' to transform the jangling discord of our nations into a beautiful symphony of brotherhood." Let us so prepare ourselves that when the doors of globalization open we will all be ready to go through, large countries and small countries alike, to claim our rightful place and to participate at the altar of opportunity.

The demand of the Member States for an IICA that is exemplary in its delivery of technical cooperation suggests that we must

obtain the opinions and ideas of our hemispheric community. I am therefore very pleased to share with you today the document "IICA - An Institution with a New Focus and Commitment." All of you are cordially invited to present your comments and suggestions for improving the future of IICA.

I am here today because I still believe that one day humankind 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.

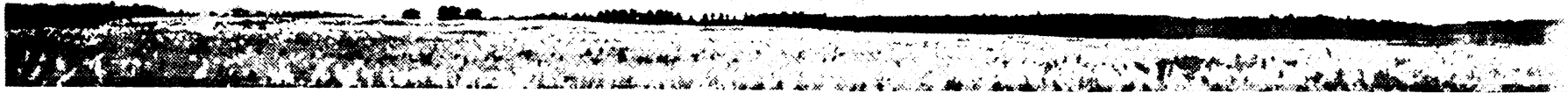
I thank all of you for your distinguished presence at this event. Your cooperation and positive attitude toward IICA will be a source of energy in our efforts to enhance the relationship, based on real partnerships, between IICA and the Americas.

Let us resolve once and for all time that our Institute must be an instrument of change for modernizing the rural sector so that those who live therein, and whose lives are dependent on same, can see opportunities and hope for participating in the emerging global prosperity.

Let us therefore share our knowledge, our commitment, and our energy for the benefit of the rural poor. Let us embrace a spirit of service and cooperation and leave behind the unresolved conflicts of the past.

Today, is a new day; ours is a new time.

IICA must help governments develop a vision for agriculture that transcends the work of the ministries of agriculture. I think we must adopt the definition of agriculture as presented in the World



Development Report 2000: "Agriculture is the production, processing and marketing of crops, livestock and fish from producer to consumer."

This vision must address issues of governance, policy and institutional reform, support for marginal groups, food security, national social stability, preservation of the environment and biodiversity. As President Bush said in justifying the United States' new farm bill, "Agriculture is a basic component of national security."

Are we thinking about the global questions of today surrounding food? How can we increase the carrying capacity of our hemisphere? Is food security our concern? What are the implications of increasing urbanization in our countries? What are the implications of consumer demand for healthier foods? What are the future directions for agriculture? What are the technological drivers that will push forward sustainable agriculture? Are biotechnology and genetically modified foods the answers for the food needs of the 21st Century? Are we participating in the development of the knowledge society of the 21st Century?

The prosperity of the rural sector is not going to be achieved by focusing only on technical issues of agricultural production. We must incorporate agribusiness development, value added, agroindustry, agrotourism, trade (both national and international) and environmental issues into our agenda.

This is our opportunity: let us not waste it. And so I ask of you today, as I did in my letter of February 2002 to our Representatives, to rededicate yourselves to the noble goal of helping our countries out of rural poverty.

IICA of the 21 Century cannot be built on incompetence, mediocrity, inefficiency, corrupt practices or conflicts of interest in the use of the Institute's resources; this cannot and will not be tolerated.

IICA of the 21st Century requires professionals, men and women of character and determination, who are committed to the promotion of a prosperous rural sector through their collective efforts.

Let this week therefore be a week of cooperation, a week in which we work together to solve problems, a week in which we bring solutions to the table so that at the end we can say it was good to be here; so that at the end we can leave this place, confident in ourselves and in our Institute, knowing that we are building a supportive hemispheric team that is clear in its resolve to contribute to the promotion of prosperity in rural communities.

I am as passionate about IICA today as I was on January 2nd, 1981 when I joined the Institute, and so I invite today to join me in building a first-class international development agency for tomorrow and for the 21st Century.

Thank you.





Repositioning IICA to Meet the Challenges of the 21st Century

**Twenty-Second Regular Meeting of the Executive Committee
IICA Headquarters. October 2**

Dear Members of the Executive Committee of IICA, Ministers of Agriculture of the Member States, distinguished guests, ladies and gentlemen.

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

As you know, on January 15th I took office as the ninth Director General of IICA. Ever since then, I have been busy implementing my vision to reposition the Institute as an institution of excellence, one that is more relevant to the needs of its Member States. This vision recognizes that agriculture 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 are aware that, in spite of the advances achieved in democratization in the region, improvements in per capita incomes, increased life expectancy, and greater access to clean water, 177 million people in this hemisphere still live in poverty; more than half of this population lives in rural areas.

This poverty expresses itself in unemployment, poor nutrition, violent crime, increases in antisocial and illegal activities, and the production and trafficking in illicit drugs. It is clear that persistent poverty can be a serious threat to national social stability and the processes of democratic governance. Sustainable growth in the rural sector holds the strongest promise for reducing food insecurity and for alleviating rural poverty in our countries.



Our Institute has recently received new mandates, and these will shape its future.

Mandates of the General Assembly of the Organization of American States (OAS)

At the Thirtieth OAS General Assembly (June, 2000), the Ministers of Foreign Relations of the Member States resolved to:

- Confer a new dimension on the IABA, recognizing it as: *"...the primary ministerial forum within the OAS for analyzing and building consensus on policies and strategic priorities for the improvement of agriculture and rural life in the Hemisphere;"* and
- *"Instruct IICA to develop and strengthen mechanisms of cooperation and exchange with other organs, agencies and entities of the Inter-American System for proposing, coordinating, and executing policies and programs relating to the improvement of agriculture and rural life in the context of the Inter-American System and the Summit of the Americas process."*

Mandates of the Third Summit of the Americas on Agriculture and Rural Life

The Third Summit of the Americas, held in Quebec City, Canada, in April 2001, produced a Hemispheric Declaration and a Plan of Action which clearly define the strategies and programs to be pursued for creating greater economic prosperity, expanding economic opportunity, and fashioning international relations among the countries of the Americas in the foreseeable future.

The commitment to the creation of the Free Trade Area of the Americas (FTAA) 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 in strengthening democracy, creating prosperity, and realizing the potential of their people. According to the Declaration:

"Free and open economies, market access, sustained flows of investment, capital formation, financial stability, appropriate public policies, access to technology and human resources development and training are key to reducing poverty and inequalities, raising living standards and promoting sustainable development. We will work with all sectors of civil society and international organizations to ensure that economic activities contribute to the sustainable development of our societies.

"Democracy and economic and social development are interdependent and mutually reinforcing as fundamental conditions to combat poverty and inequality. We will spare no effort to free our fellow citizens from the dehumanizing conditions of extreme poverty.

- *"We commit 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.*
- *"We commit ourselves to promote programs for the improvement of agriculture and rural life and agro-busi-*

ness as an essential contribution to poverty reduction and integral development.”

IICA took an active role in the 2001 Summit and was specifically named in the Plan of Action as having a role to play in follow-up and implementation. This inclusion as an active partner enhances the role IICA played in the past and makes it more prominent in the future in terms of promoting dialogue and better hemispheric integration.

The role laid out in Summit documentation potentially changes two aspects of IICA's current role:

1. The Summit Plan of Action extends IICA's role beyond that of promoting inter-American dialogue through the Inter-American Board of Agriculture (IABA) - the traditional route. While this important group will be valuable to the process, the Plan of Action also calls for IICA involvement in discussions with other coordinating groups and institutions, for instance, the World Bank, the IDB, ECLAC, OAS, PAHO, and others.
2. IICA is also being asked to shift beyond being primarily a supplier of technical cooperation for agriculture. It has been asked to take on a broader mandate, one that is more proactive and that brings agricultural, environmental and rural development issues into a broader debate on hemispheric integration and prosperity.

On November 26, 2001, as part of the Eleventh Regular Meeting of the IABA, the First Ministerial Meeting on Agriculture and Rural Life was held within the context of the Summit of the Americas process in Bavaro, Dominican Republic.

In the Declaration of Bavaro, the Ministers of Agriculture committed themselves to fulfilling the mandates of the Third Summit of the Americas. They identified the critical issues needing immediate attention and agreed on the need for a shared agenda that they would promote to enable their countries to tackle these issues. They also urged international institutions and cooperating governments that provide cooperation and funding for development to coordinate their strategies for support and to harmonize their technical and financial cooperation for implementing the mandates of the Declaration.

The Ministers of Agriculture underscored that there is a need for significant progress in order to improve food security and reduce rural poverty, and called for actions in ten strategic areas:

- i. Further liberalization of agricultural trade;
- ii. Strengthen dialogue and consensus building on strategies;
- iii. Develop an institutional framework conducive to the sustainable development of agriculture and the rural milieu;
- iv. Support rural organizations and communities by enhancing their capabilities;
- v. Eliminate the anti-agricultural bias in policies, and include recognition in such policies of the broad contribution of agriculture to the well-being of all members of society;
- vi. Promote environmentally friendly agriculture;
- vii. Contribute to the prevention and mitigation of natural disasters and sanitary and phytosanitary emergencies;



- viii. Make greater investments in the development of human capital;
- ix. Reduce knowledge, information and technology gaps; and
- x. Modernize agriculture and strengthen services in support of agrifood production and trade.

Global Context

apidly changing global economy conditions are influencing the development of agriculture in the Americas. Eight major factors central to this new dynamic:

1. The increase in globalization and trade,
2. Liberalization of world markets,
3. The increase in population and urbanization,
4. Advances in biotechnology,
5. The development of new information and communication technologies,
6. Changes in consumer preferences,
7. Increased attention to environmental concerns, and
8. New government policies.

For example, with regard to population growth vis-à-vis economic growth, recent statistics show that by 2025 the world population will grow to eight billion. This numerical increase will challenge agriculture and world food supplies as never before in the history of our planet. The impact of this increase will be compounded by rapid economic growth in key regions of the world, which will alter the world's eating habits and increase total food demand. Much of this population increase is expected to take place in the cities of the developing world.

From the technological viewpoint, in the coming years agricultural production and research systems will be increasingly challenged to keep abreast of changing dietary preferences and will have to utilize all the technologies, policies and management systems available to them to increase productivity and profits in the rural sector. It is encouraging that substantial developments over the past 20 years in biotechnology and genetic engineering offer us today new prospects for increased agricultural production and productivity. However, while biotechnology has the potential to produce crops and livestock that are more efficient, more productive, 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.

Better education, improved communications and higher incomes have brought a greater awareness of the importance of adequate nutrition for good health and general well being. The demand for fresh fruits, vegetables, foods high in fiber, processed foods, snack foods and organic products has increased. Similarly, 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 demands but also to ensure the safety and reliability of food supplies.

These mandates and the global context facilitate the definition of a clear role for IICA in the 21st Century.

We believe that, in order to comply with these new mandates and to respond to the realities of the global environment, the Institute must begin to view its role in broader terms. We believe that, if we are to contribute to reducing poverty and food insecurity in the Hemisphere, the Institute must not only focus on



technical cooperation for agricultural development but also address the broader issues affecting the sustainable development and modernization of the rural sector.

We believe that to play this new role the Institute must become a modern development organization that promotes sustainable agricultural development, food security and prosperity in the rural communities of the Americas.

This new role will be facilitated by focusing on three aspects of the Institute's operations: its operations as related to governance and management; its operations as related to the delivery of technical cooperation services; and its operations as related to repositioning itself within the Inter-American System.

The economy of the 21st Century will be driven by global trade and investment. While open markets led to a boom in trade that swelled from 18% of global economic output in 1990 to 26% of global economic output in 2000, greater progress is still needed in promoting free and fair trade. However, the trade in agricultural products can only be successful when competitive agribusinesses are producing value-added products that meet food safety standards and respond to consumer demands and environmental standards.

Cooperation between these four dimensions is critical for successful promotion of food security and prosperity in the rural communities. Institutional modernization must provide the framework for this development model which will be driven by technology and innovation, training and education, information and communication technologies and horizontal technical cooperation among countries.

The objectives of the technical cooperation program for the new IICA should be to support:

- The efforts of countries of the hemisphere to promote integration, cooperation and participation in the global economy;
- The Member States in ensuring the safety of food supplies and the removal of sanitary and phytosanitary barriers to trade;
- Agro-industrial and agri-business development in the sector by promoting the adoption of new technologies and business principles by enterprises in the sector, in order to upgrade competitiveness and foster an enabling environment for agribusiness;
- Efforts to promote sustainable rural development and the sustainable use of natural resources for present and future generations;
- The Ministries of Agriculture in the process of transforming their role, structure, and functions in order to equip them to address the new realities of globalization and State modernization; and
- The process to transform agricultural education and training so as to produce scientists, technicians and entrepreneurs who can effectively develop and contribute to repositioning agriculture.

Some of the strategies the administration proposes to pursue for promoting prosperity in the rural sector are to foster:

- Strategic relationships with the Member States in order to better identify their needs in the rural sector;



- Strategic partnerships with the international financial community for implementing agricultural and rural development projects;
- Trade capacity building;
- The development of competitive agribusinesses and forge closer linkages with the private sector;
- Education and training for modernization of the rural economy;
- Horizontal technical cooperation among countries to transfer knowledge, information and successful experiences;
- Sustainable community development; and
- Environmental protection.

In order to effectively deliver the services mentioned above, the Institute must undergo a process of internal reorganization that results in a modern organization with a business-like approach.

Decisions taken so far to achieve this goal are as follows:

- Implementation of a new structure based on an integrated management framework;
- Development of a performance management, results-based system;
- Strengthening of the mechanisms for corporate governance and management;
- Reductions in bureaucracy;
- Promotion of financial prudence and accountability;
- Promotion of fundamental principles and values, including flexibility, accountability, commitment, efficiency, tolerance, and a spirit of service, and

- Promotion of new policies for human resources management.

I should now like to go into some detail on some of these issues.

A New Partnership with the Member States

On January 16, 2002, I instructed all Representatives in the Member States to begin a process of dialogue with national authorities, the private sector, academia and civil society to prepare national technical cooperation agendas. Preparation of these agendas represents a new approach to technical cooperation in which the concepts of partnership, cooperation and demand-driven efforts are emphasized. The agendas also played an important role in the preparation of the Institute's Medium Term Plan for 2002-2006. The agendas used a holistic approach prioritizing food security, building national trade capacity, and fostering rural community development, and emphasized six strategic areas of action:

1. Trade and Agribusiness Development
2. Sustainable Rural Development
3. Agricultural Health and Food Safety
4. Technology and Innovation
5. Education and Training
6. Information and Communication

Preparation of the National Technical Cooperation Agendas is a flexible and ongoing process that recognizes the unique nature of each Member State and contributes to fulfilling the mandate of ensuring greater Member State participation in the design and implementation of IICA action at the national level. In addition,



IICA Representative will now prepare an annual report describing the progress made in implementing the national agenda, to be submitted to the minister of agriculture in his or her country. With this, the Institute will promote transparency, accountability and cooperation at the national level and facilitate ongoing dialogue with our stakeholders.

These National Technical Cooperation Agendas provided the basis for developing the Regional Technical Cooperation Agendas and the Hemispheric Cooperation Agenda which, in turn, provided the basis for the 2002-2006 Medium Term Plan. The Plan is therefore a product of the demands and needs of the Member States resulting from a process of dialogue and consultation at the national level throughout the hemisphere. This approach is consistent with the Summit Mandates which emphasize the need for national consultation and dialogue among the members of the agricultural community. Representatives in each country will also report to the Ministries of Foreign Affairs to ensure that IICA work at the national level is included in the report of the Summit Implementation and Review Group (SIRG) of the Summit of the Americas Process.

As a result of the breakfast meeting held in Rome with 22 ministers of the hemisphere during the World Food Summit, and in line with the administration's commitment to respond to the needs of the Member States, the Institute has:

- Developed a hemispheric project on Trade, Agribusiness and Food Safety, designed to promote the trade of safe agricultural products in the hemisphere;
- Held discussions with the officials of CODEX Alimentarius to provide appropriate support to Member States in this area; and

- Developed a proposal for coordinating of IICA's actions in the area of food safety with the private sector and with international agencies, especially the Pan American Health Organization and the FAO.

1. Promotion of Private Sector Participation

The new administration has proposed the recruitment of agribusiness specialists at the regional level and has included the development of agribusiness as a strategic area of the 2002-2006 Medium Term Plan. This initiative will foster close cooperation between the Institute and the private sector. In addition, the administration has developed a hemispheric project to promote trade, agribusiness and food safety in the hemisphere, by means of which it intends to work closely with the private sector and the governments to strengthen trade capacity, promote efficient agribusiness enterprises and promote the safety of food supplies. This project has been submitted to the consideration of this Executive Committee for approval.

2. Building New Relationships with Global Strategic Partners

As part of the process to restructure the Institute, the administration has established a Directorate of Strategic Partnerships, that is based in Washington, D.C.

This Directorate has two responsibilities: 1) to represent IICA in the United States of America, and 2) to coordinate and strengthen alliances with strategic partners such as the World Bank, the Organization of American States, the Inter-American Development Bank, the Pan American Health Organization, and other international agencies headquartered in Washington, Brussels, Rome, Ottawa and other parts of the world.



It will also coordinate the work of the IICA Office in Spain, which will serve as the Institute's window for cooperation in Europe. This Office will work with the regional specialists in the area of project preparation, enabling the Institute to prepare and implement investment projects in the countries in cooperation with the international financial community and providing opportunities for mobilizing local financial resources.

On March 9, 2002, during the meeting of the Inter-Agency Group for Sustainable Rural Development held prior to the Meeting of Governors of the Inter-American Development Bank (IDB) in Fortaleza, Brazil, the new administration signed an agreement for extending and continuing cooperation with seven strategic partners in an initiative that was launched in 2000 in New Orleans. The strategic partners in the agreement are IDB, the World Bank, the United States Agency for International Development (USAID), the German cooperation agency GTZ, the International Fund for Agricultural Development (IFAD), the United Nations Food and Agriculture Organization (FAO), the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) and IICA.

In February 2002, I visited the Headquarters of the Organization of American States (OAS), in Washington D.C., to discuss a new relationship, based on effective partnerships. As a result of this, discussions are under way for the IICA Office in Washington to return to the OAS building. In addition, areas of cooperation in the area of sustainable rural development have been identified. The new administration also committed itself to be an active member of the Joint Summit Group for partner institutions, together with the General Secretariat of the OAS, IDB, PAHO,

ECLAC and the World Bank. On that same occasion, I discussed strategic partnerships with the IDB, the International Food Policy Research Institute (IFPRI), USAID, the World Bank, and the Pan American Health Organization (PAHO), meeting with leading officials in order to present the new corporate image and focus, and to strengthen cooperation initiatives.

The Administration subsequently signed an agreement for cooperation with PAHO and with FAO.

3. Relationship with the Tropical Agriculture Research and Higher Education Center (CATIE)

Based on discussions held with the Director General of CATIE and with the ministers of agriculture of Central America, Panama and Mexico, the Institute is pursuing a new relationship with CATIE in order to ensure increased integration of programs and to provide more coordinated services to the Member States. We believe that CATIE should be reincorporated into IICA as the technical arm of the Institute.

4. Horizontal Technical Cooperation

This administration has emphasized the need for IICA to be a true network of hemispheric cooperation where the exchange of information, technology and experiences occurs on an ongoing basis between its member countries. The administration has promoted this concept and we will assign a senior official of the Institute the responsibility of promoting horizontal cooperation between the countries and regions of the hemisphere.



5. Strengthening National Capacity Through a Greater use of National Professionals

The national professional staff currently employed by the Institute make a significant contribution to IICA's work. During this period, a number of national professionals were promoted to key posts at Headquarters. These include the Head of Institutional Norms and Procedures, the Head of Public Information and Corporate Image, the Head of the Meetings Secretariat, and the Head of Staff Training. National professionals will also be more widely used to implement technical actions in the Member States.

6. Development of a Modern, Business-like Institution

6.1 Implementation of a new structure based on an integrated management framework

The new administration proposed an institutional structure suited to achieve coordination, integration of actions and efficiency in operations. The proposed structure is based on an integrated management framework recommended by the Special Advisory Committee on Management Issues.

To design the framework, it was necessary to begin with the stakeholders' expectations and to develop an institution having appropriate linkages between the mission, the resources and the actions, leading to results. The new structure emphasizes:

- A flatter institutional arrangement
- A span of control of five management units
- A simplification of functions
- A consolidation of existing units

6.2 Results-based institution

With assistance from UNDP and PAHO, the administration established a Directorate of Performance Management and Evaluation, designed to provide ongoing monitoring and evaluation of technical cooperation actions. This Directorate has the following roles:

- To develop systems for the ongoing review of implementation of hemispheric, regional, and national agendas.
- To cooperate with the Internal Auditor, the External Auditors, and the Audit Review Committee in ensuring the transparency, effectiveness and accountability of the operations of the various units of the Institute.
- To prepare reports, with clearly defined recommendations and a plan of action for improving the performance of the various units of the Institute.
- To develop standards and procedures for the evaluation process, with appropriate incentives and sanctions.
- To be a source of information on successful and unsuccessful experiences gained in the implementation of IICA's actions.

6.3 Strengthening mechanisms for corporate governance and management

The administration moved expeditiously to institutionalize the Special Advisory Commission on Management Issues, and I am pleased to report that this body held its first meeting with this administration on July 18 and 19, 2002. In our view, it was a highly successful meeting, and the advice and input provided by the Commission to the new administration was extremely valuable. A report of the work of the Commission is being presented to this Committee.



6.4 Elimination of the Regional Centers and strengthening IICA's Offices in the countries

The Regional Centers were created in 1995 to provide for coordination of regional action and decentralization to the regional level. Experience over the years, however, demonstrated that these centers had become administrative bottlenecks to efficient decision making. In addition, they were costly. The decision was taken to rationalize the use of financial resources and to provide coordination of regional actions by a Representative in one of the countries of the region. This decision resulted in a net saving of approximately US\$1.2 million, which has been utilized to strengthen IICA's Offices in the countries.

6.5 Promotion of financial prudence and accountability

The administration has strengthened the internal audit unit of the Institute by appointing a Deputy Auditor and has established a budget control unit to ensure satisfactory management of the institute's financial resources. In addition, executive orders for travel and hiring consultants have been reviewed and updated.

We have eliminated corporate credit cards in the Institute, as there was evidence of abuse, we have reduced official hospitality, and we are exploring the possibilities of bulk purchases to reduce costs.

6.6 Promotion of fundamental principles and values

The new administration continues to emphasize 10 fundamental principles of its operations and 8 important values.

PRINCIPLES

1. Financial prudence, transparency and efficiency
2. Decentralization
3. Private sector participation
4. Strategic partnerships
5. Development of human resources
6. Strengthening national capacity
7. Environmental dimension
8. Technical excellence
9. Institutional modernization
10. Performance evaluation

7. Promotion of New Policies with Respect to Human Resources Management

7.1 Application of Article 58.e of the Rules of Procedure of the General Directorate

The new administration took the decision to implement Article 58.e of the Rules of Procedure of the General Directorate, pursuant to which it has terminated the services of all staff members 65 years of age or more.


This decision resulted in the elimination of ten staff positions. In addition, the contracts of four international professional staff were terminated and three staff members resigned. In total, 17 staff members left the Institute.

7.2 Reduction of management positions in the Institute

At December 31, 2001, there were 36 D-level (Director) management-level positions in the Institute. As a result of a rationalization process and the implementation of the new structure, this

VALUES

1. Flexibility
2. Accountability
3. Commitment
4. Efficiency
5. Tolerance of diversity
6. Service
7. Solidarity
8. Social equity



administration decreased this to 24 D-level positions, representing a 33% reduction in management positions in the Institute. This will be further reduced when three additional D-level contracts are terminated at the end of 2002.

This reduction in personnel costs has released funds for operations at the national level.

7.3 Reduction in permanent staff positions

Of the 93 International Staff currently employed by IICA, 12 are career positions (regular staff); the remaining 81 have temporary two-year contracts. In 2001, the number of regular positions was 17. Thus, there was a 30% reduction in regular staff members, which represents a 30% reduction in fixed costs and more flexibility for the recruitment policy of the Institute.

7.4 Gender balance

Of the 17 persons who left the Institute 16 were men and one was a woman. Of the nine posts filled to replace those leaving, five were filled by women and four by men. This is in line with the new administration's policy to recruit more professional women into the Institute.

7.5 Promotion of respect for diversity and ongoing human resource development.

As a result of its commitment to diversity and the ongoing development of human resources, the administration established a unit for in-house training within the Directorate of Human Resources.

This unit will evaluate training needs of personnel and promote training programs to ensure that IICA's staff is up to date in their knowledge of new technologies and other relevant subjects.

7.6 Reduction in personnel costs

Since 1994, personnel costs in the Institute have been reduced and funds have been released for operation expenses. However, the current institutional structure does not contemplate any further reduction in personnel. Any further increase in the demand on the Institute will require either an increase in quota resources or an increase in external funds.

In addition to the above, we have carried out the following actions:

- Establishment of a Code of Ethics for Institute personnel.
- Establishment of a new profile for Representatives.
- Proposal for a new system of national awards in the agricultural sector.
- Establishment of a system for the preparation and approval of the new National Technical Cooperation Agendas.
- Designation of regional specialists in the thematic areas.
- Appointment of Representatives to vacant posts in Canada, Peru, Trinidad and Tobago, Barbados, Jamaica, United States, Brazil and Panama, owing, for example, to retirement, changes in positions of trust, long periods in the same country.
- Development of an institutional communications strategy, both for internal and external communications.



- Preparation of the new Medium Term Plan and presentation of same to stakeholders and to the international financial community.
- Proposal for new ways to manage the budget and to prepare the 2003 budget.
- Establishment of internal committees and guidelines for their operations.
- Review of the posts of support personnel at Headquarters.
- Official visits to member countries, including to the United States, Brazil, Panama, Dominican Republic and Jamaica, Mexico, Nicaragua, Canada and Bahamas, and to a number of strategic partners.
- Establishment of closer ties with the Special Advisory Committee on Management Issues, through the development of an online system.
- Development of IICA-News as an instrument for internal communications.
- Definition of international professional positions within the Institute.

Conclusions

The first eight months of the new administration have been a very active period. Three weeks ago all IICA Representatives and regional specialists gathered at Headquarters to review the new orientation of the Institute and to be informed on strategies for implementing the national and regional agendas.

The administration is convinced that the new institutional structure, policies and strategic initiatives will ensure that this Institute continues to contribute to social progress and to the promotion of prosperity in the rural communities of the Americas.

After considerable thought, we believe that our Institute has a bright future as we develop a new agenda for agriculture and rural development in our hemisphere.

We believe that we cannot advance in our efforts to forge a new agenda for agricultural and rural development in this hemisphere without sharing views and opinions about a common vision for the future.

As I indicated during the campaign last year and during my eight months in the job, that vision must be based on partnership, cooperation, commitment and a resolve to build an institution that better serves the needs of the Member States. Those perceptions are now included in our Medium Term Plan and I am pleased to note the effective participatory process that was followed in preparing the national agendas.

A new frontier of challenge and opportunity is upon us as we enter the third year of the 21st Century.

It is a brave 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.

As I said in my Inaugural Address on January 15, 2002, there are those who see the future with fear and apprehension; I see a future of opportunity and prosperity as we harness the technological advances of our times to bring about a gentler and more humane world.

A modern IICA must forge a destiny that is exemplary in the international arena and where, despite our small size, we can be a



beacon of competence, integrity, performance and technical excellence. The basic requirement now is commitment at all levels of our organization.

We need the commitment of our support staff, the commitment of our Representatives, the commitment of our regional specialists, the commitment of our professionals, the commitment of our secretaries, and the commitment of our Board and Executive Committee.

Our institution must recommit itself to improving the welfare of the rural poor and must have as its sacred responsibility to ensure that progress is made toward the goal of rural prosperity in our times.

Let us work not as a Caribbean people, nor as a Latin American people, nor as a North American people for the narrow benefit of any group alone, but together, as citizens of the Americas for the common good of our common community of nations, of our common hemisphere with a common destiny.

I am therefore very pleased to share with you today the document "IICA - An Institution with a New Focus and Commitment." All of you are cordially invited to present your comments and suggestions for improving the future of IICA.

I am here today because I still believe that one day humankind 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.

I thank all of you for your distinguished presence at this event. Your cooperation and positive attitude toward IICA will be a source of energy in our efforts to enhance the relationship, based on real partnerships, between IICA and the Americas.

Let us resolve once and for all time that our Institute must be an instrument of change for modernizing the rural sector so that those who live therein, and whose lives are dependent on same, can see opportunities and hope for participating in the emerging global prosperity.

Today is a new day; ours is a new time.

IICA must help the governments develop a vision for agriculture that transcends the work of the ministries of agriculture. I think we must adopt the definition of agriculture as presented in the World Development Report 2000: "Agriculture is the production, processing and marketing of crops, livestock and fish from producer to consumer."

This vision means that we must address issues of governance, policy and institutional reform, support for marginal groups, food security, national social stability, preservation of the environment and biodiversity.

The prosperity of the rural sector is not going to be achieved by focusing only on technical issues of agricultural production. We must incorporate agribusiness development, value added, agroindustry, food safety, agrotourism, trade (both national and international) and environmental issues into our agenda.



IICA of the 21st Century requires professionals, men and women of character and determination, who are committed to the promotion of a prosperous rural sector through their collective efforts.

I am as passionate about IICA today as I was on January 2, 1981 when I joined the Institute, and so I invite today to join me in building a first-class international development agency for tomorrow and for the 21st Century.

Thank you



Closing Remarks at the Twenty-Second Regular Meeting of the Executive Committee

IICA Headquarters. October 3

We have now reached the close of the Twenty-Second Meeting of the Executive Committee -a meeting which holds particular significance, not only because it is the first one in this new administration but also because it has taken place during the year in which our Institute celebrates its 60th Anniversary.

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

Judging from the reports which have been communicated to me and based on my own observations, this has been a successful meeting. The Committee was able to meet the management team of the Institute and to hear about the work we have been carrying out over the past 8 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 given the fact that the budget has been frozen since 1995.

We are pleased that the Executive Committee has been able to approve a number of resolutions, including the Medium Term Plan 2002-2006, the Annual Report for 2001 and the Resolution on the 60th Anniversary of the Institute. At this point I wish to make a brief pause to recognize the importance of the work done by the



Special Advisory Committee on Management Issues. In July, that Committee held its first meeting and the discussions held then and subsequent consultations with capitals have contributed significantly to the expeditious manner in which this Executive Committee has been able to deal with the agenda over the last two days.

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. However, while political will is imperative, financial support is critical. As we have pointed out, we will endeavour to attract external resources but at the same time, we wish to urge Member States to meet their quota commitments as well as seek to settle their arrears to the Institute.

Ladies and gentlemen of the Executive Committee, we have made a good start. However, we must remember that this is a process and 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.

Tomorrow, here at Headquarters we will host a special day of activities to commemorate the 60th Anniversary of IICA and you all have been cordially invited to attend. Joining us on that auspicious occasion will be the Acting President of Costa Rica, as well as a number of high level representatives from Member States and from throughout the Inter-American System.

Before closing, I wish to recognize the people we have worked diligently to make this meeting a success: the management team, Mr. Miguel Herrera, Coordinator of the Unit for Protocol and Institutional Relations; Mrs. Leda Avila, Coordinator of Special Events and her team; Ms. Patricia Leon, Head of Public Information and Corporate Image and her team; Ms. Susana Raine, Head of Translations Services as well as her team of translators and interpreters and last, but by no means least, the security personnel. Heartfelt thanks to all of you.

Mr. President and members of the Executive Committee, I wish to reiterate my appreciation for your outstanding contribution during this meeting and I look forward to continuing to work closely with you in the future to promote prosperity in the rural communities in the Americas.

I thank you.



Message of the Director General on the Celebration of the 60th Anniversary of the Institute

IICA Headquarters. October 4

On the occasion of the 60th Anniversary of IICA, I am pleased to join with the agricultural community of the Americas in celebrating this important milestone.

Our Institute, which was founded in 1942, continues to contribute to promoting prosperity in the rural communities of the Americas by fostering sustainable agricultural development and food security.

The Institute recognizes that agriculture will be affected in this century by important factors:

- Globalization and the liberalization of trade on world markets.
- Population growth and increasing urbanization.
- Breakthroughs in biotechnology and appropriate use of same.
- Access to information and communication technologies.
- More demanding and better-informed consumers.
- The need to meet the demand for food while making sound use of the environment.
- Redefinition of public policies as a regulatory framework that supports agriculture.

Given current trends in the world economy and the strategic role of agriculture in same, IICA has been called upon to assume a stronger leadership role within the Organization of American States (OAS) and the Summits of the Americas process.



The Thirtieth General Assembly of the OAS conferred a new dimension on the Inter-American Board of Agriculture (IABA) when it recognized the IABA as the primary ministerial forum within the OAS for analyzing and building consensus on policies and strategic priorities for the improvement of agriculture and rural life in the hemisphere.

In the Declaration and Plan of Action of the Third Summit of the Americas, the Heads of State and Government extended the Institute's role beyond that of providing technical cooperation, to include promoting dialogue and consensus building on issues critical to agriculture, the environment and rural development, within the framework of efforts to strengthen integration and bring prosperity to the hemisphere.

Accordingly, we believe that our Institute must become a development agency for the rural sector of the Americas, one that promotes sustainable agricultural and rural development, food security and prosperity in the rural communities of the Americas.

The Institute proposes to focus its technical cooperation program on promoting trade capacity, agribusiness development and the sustainable use of natural resources, and supporting agricultural health and food safety. Its new objectives for the Medium Term Plan are:

- To support the countries of the hemisphere in their efforts to promote integration, cooperation and participation in the global economy.
- To support the Member States in ensuring the safety of food supplies and removing sanitary and phytosanitary barriers to trade.

- To support agro-industrial and agri-business development by promoting the adoption of new technologies and business principles by sectoral enterprises, with a view to upgrading competitiveness and the development of a global agri-business environment.
- To promote sustainable rural development and the sustainable use of natural resources for present and future generations.
- To support the Ministries of Agriculture in the process to transform their role, structure, and functions in order to face the new realities of globalization and State modernization.
- To support the process to transform agricultural education, with a view to producing scientists, technicians and entrepreneurs who can effectively develop and reposition agriculture.

In order to achieve these objectives, the actions of the new administration in the hemisphere will be guided by 12 fundamental principles:

- Promotion of a new global dimension and a new corporate image.
- Promotion of financial prudence, transparency, efficiency, accountability, and respect for the norms of the Institute.
- Promotion of respect for diversity and continuous development of human resources.



- Decentralization of the Institute to the national level.
- Promotion of private sector participation in IICA's endeavors.
- Promotion of a national technical cooperation agenda in all Member States.
- Incorporation of an environmental dimension in development initiatives.
- Strengthening national capacities through the use of national professionals at the national level.
- Strengthening the relationship with Member States through a strategy for new governance, by institutionalizing a mechanism similar to the Special Advisory Commission on Management Issues.
- Promotion of change through institutional modernization in the agricultural sector.
- Promotion of the use of technical teams, technical articulation, technical excellence, greater horizontal technical cooperation, and the transfer of experiences.
- Implementation of a program of performance audit, monitoring, and evaluation.

The Institute has a rich history of contributions in the hemisphere. Implementation of the new vision will ensure our continued support to the Member States in promoting prosperity in the rural communities of the Americas.

And so, as we begin today a new chapter in the life of this great institution, let us not forget the building blocks of the past. Let us remember with admiration and respect the contribution of those who have led this institution with honour and pride. I speak of the contributions and the vision of Dr. Henry Wallace, Secretary of Agriculture of the United States of America. I speak of Dr. Earl Bressman, Dr. Ralph Allee, citizens of the United States of America; I speak of Dr. Armando Samper and Dr. Carlos Madrid, citizens of Colombia; I speak of Dr. Jose Emilio Araujo, a citizen of Brazil; I speak of Dr. Francisco Morillo, a citizen of Venezuela; I speak of Dr. Martin Piñeiro, a citizen of Argentina; and I speak of Dr. Carlos Aquino, a citizen of the Dominican Republic.

Each one in their own way moving our Institute towards the goal of improving the rural sector to the Americas. Today we express our appreciation for these pillars of agricultural development in our hemisphere, especially those who are with us today. But, the Directors General could not have done it alone, and so we express our appreciation to the staff of IICA, both past and present, for their contribution and finally to the Member States, who year after year for 60 years through sometimes difficult circumstances have continued their support for this Institution, they too must be commended.

Let their work and their efforts be an inspiration for the future of our Institute and let us, current employees, rededicate ourselves to the service of the Member States of our Institute.

I am here today because I still believe that one day humankind will achieve the triumphant 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.





Sharing Global Prosperity with the Rural Communities of the Americas

Inaugural Session, 60th Anniversary of the Institute
IICA Headquarters. October 4

Origin and Growth of IICA

Today, I welcome all of you to IICA Headquarters and beautiful Costa Rica to join with us in the celebration of the 60th Anniversary of our Institute. Sixty years ago, while Europe was at war and the threat of global conflict enveloped our world, Dr. Henry Wallace, the Secretary of Agriculture and subsequently Vice President of the United States of America stated:

“It is our sincere belief that the establishment of an Institute of Tropical Agriculture is vital if Western Hemisphere agriculture is to develop as it should. This proposal, which we in the Department of Agriculture have been considering for a couple of years, has been endorsed by President Roosevelt’s Interdepartmental Committee on Cooperation with the American Republics.”

In 1942, with the then President of Costa Rica, Rafael A. Calderon Guardia, Henry Wallace laid the foundation stone in Turrialba for our Institute, then known as the Inter-American Institute of Agricultural Sciences. Thus began a new chapter in technical cooperation in agriculture in the Americas and the realization of an Inter-American dream that had been nurtured since 1910.

The first IICA field office (which subsequently became the Center for Education and Research) was officially inaugurated in 1943. The high caliber of IICA’s scientific and academic activities paved the way for its subsequent expansion. In 1944, the first multilateral Convention on IICA was signed, under which its legal status was recognized by different governments in the hemisphere.



When the OAS was created in 1948, IICA became the specialized agency for agriculture of the Inter-American System, consolidating its work by extending its actions to every country in the hemisphere. This task was completed in the 1990s, when Bahamas became a member of IICA.

The Institute has come a long way and has made significant contributions in a wide range of fields in agriculture. Over the years, its role has taken on new dimensions and responsibilities. From an Institution that was originally founded to provide research and training in agriculture, it assumed a leading role in agricultural development and integration in the Western Hemisphere.

Its advocacy of the need for agricultural modernization won support in Latin America and the Caribbean, against a backdrop of sweeping transformations in international economic policies. During the 1980s, the Institute focused on initiatives to modernize the agricultural sector and reinvigorate intra- and extra-regional agricultural trade through a broad portfolio of hemispheric and sub-regional projects. In the last decade, IICA's technical cooperation actions emphasized participation, decentralization and flexibility, focusing on a specific group of topics.

Since IICA was created, agriculture in the Americas has been strengthened through hemispheric cooperation. Today, 34 IICA offices across the length and breadth of the hemisphere are working to meet the needs of the countries in areas such as: trade and agribusiness development; sustainable rural development; agricultural health and food safety; technology and innovation; education and training; and information and communication.


The World Today: Challenges and Opportunities for Agriculture

Today, the world is very different to that when the Institute was founded. In spite of the progress in democratization carried out in the region, improvements in per capita income, increased life expectancy, and better access to social services, 177 million people in this hemisphere are still in poverty. More than half of this group lives in rural areas. It has been demonstrated that persistent poverty can be a serious threat to national social stability, the processes of democratic governance and overall development. Sustainable growth of the rural sector therefore is necessary, for it holds the most important promise for reducing food insecurity and alleviating rural poverty in our countries.

Rapidly changing conditions in the global economy are influencing the development of agriculture and the rural economy in the Americas. Eight major factors are central to this new dynamism:

1. Increase in globalization and trade;
2. Liberalization of world markets;
3. Increases in population and urbanization;
4. Advances in biotechnology;
5. Development of new information and communication technologies;
6. Changes in consumer preferences;
7. Increased attention to environmental concerns; and
8. National policy reforms.

For example, with regard to population growth vis-à-vis economic growth, recent statistics show that by the year 2020 the world population will grow to about 7.7 billion and to 9.4 billion by 2050. This numerical increase will challenge agriculture and world food supplies as never before in the history of our planet.



The impact of this increase will be compounded by rapid economic growth in key regions of the world, which will alter the world's eating habits and increase total food demand.

From the technological viewpoint, in the coming years, agricultural production and research systems will be increasingly challenged to keep abreast of changing dietary preferences and will have to utilize all the technologies, policies and management systems available to increase the competitiveness of agriculture and increase food production consistent with environmental sustainability. It is encouraging that substantial developments over the past 20 years in biotechnology and genetic engineering offer us new prospects for increased agricultural output.

Improved education, 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, foods that are high in fiber, processed foods 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 good news is that we are meeting at a time when there is a renewed thrust to address the above issues and improve agriculture and rural life in the Americas, in response to a mandate from our heads of state and government. At their meeting in Quebec City in April 2001, they launched a process that marks an unprecedented milestone in the efforts to reposition agriculture and rural life in this hemisphere.

We consider the Summit to be of historic importance because; our political leaders recognized the strategic importance of agriculture because as a way of life for millions of rural families in the hemisphere; because of its role in the creation of prosperity and because it is a strategic sector in our socio-economic systems.

They also recognized the urgent need to develop the enormous potential in the region to create prosperity in the countryside in a manner compatible with sustainable development.

More recently, the Ministers of Agriculture met in November 2001 for the First Ministerial Meeting on Agriculture and Rural Life, held in Bavaro, Dominican Republic. At that meeting, they concurred with the Summit's Declaration and issued the Declaration of Bavaro, which among others, indicated that it is essential to make significant progress in the areas of food security and rural poverty as a prerequisite for rural prosperity.

The recognition of agriculture and rural life also created new challenges, as it demands changes in the concept of and the traditional role society assigns to agriculture. It also demands changes in agriculture's linkages with the rest of the rural sector and urban areas, and in new institutional leadership in the public and private sectors. The question is how to translate this challenge into specific actions that enable us to join forces, generate new resources and articulate joint actions at the national and international levels.

It will take commitment and the articulated efforts of national and international development organizations to respond to this challenge. As we are aware, the development of agriculture and rural prosperity exceed the possibilities of any one organization,



especially given limited resource availability and the increasingly complex scenarios in which agriculture operates.

A related challenge for the leadership of agricultural institutions will be to strengthen their position in the new global system: the economy of information and knowledge; the economy of globalization and integration; and the economy of interconnected transnational networks.

The global economy of the twenty-first century is changing rapidly, generating new opportunities for some, especially those who have access to information and the required know-how to compete in the new environment. It also provides fewer opportunities for those who are trapped in the knowledge and institutional practices of the past.

Aware of this situation, our political leaders at the highest level have called upon us to institutionalize dialogue and to establish strategic partnerships with international and national organizations in order to generate new synergies that, in turn, will generate the knowledge and attract the resources needed to meet the new challenges of agriculture.

It is necessary to work together to enable us to weave a new institutional fabric that is committed to the construction of a hemisphere that is food secure and poverty free, and that has an agricultural sector that is technologically prepared, environmentally managed and socially responsible to this and to future generations.

Honorable Ministers, leaders, colleagues, and friends: we are part of a hemispheric effort to reposition agriculture and the rural economy. We believe that the international community

must work together with national leaders to identify and forge, with the full participation of civil society, a new institutional framework based on strategies for the sustainable improvement of agriculture and rural life.

We must recognize that we cannot address the problems facing the rural world with a vision from the past. We must support genuine and sustainable efforts at the national level to build an institutional framework that promotes cooperation and the convergence of the State and civil society. This must be done within the framework of a market economy that seeks more extensive and transparent actions, and that demands in turn, a new role for public, private and international organizations.

IICA of the Future

The world has just entered the 21st Century and our Institute is celebrating its 60th anniversary, with new and more complex challenges in the future. As we renew our commitment to our Member States, in their efforts to bring about the sustainable development of agriculture, food security throughout the hemisphere, and prosperity in the rural communities of the Americas, we are conscious of the fact that facing the new challenges require a "new" IICA -- an IICA that is proactive, innovative and accountable.

In January of this year I took office as the Institute's ninth Director General. My first task was to present proposals to reposition IICA with that vision. IICA recognizes that, in any nation today, development of the agricultural and rural sectors cannot be seen merely as an effort to help marginal poor farmers; rather, it must be seen as the development of a sector that is strategically important for present and future generations.



As an international institution, in an increasingly globalized world, and aware of the mandates 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 for ensuring that all those involved in agriculture continue to contribute to food security and prosperity in the rural communities.

The new IICA administration is convinced that a broader approach to the development of agriculture, enhancing food security and creating prosperity in the rural sector should be adopted. This leads us to the inescapable conclusion that for the Institute to implement the new mandates, we must begin to view IICA's role within the larger context of development.

To do this we believe that the Institute should be transformed from a technical cooperation institution into a development one, whose actions are firmly rooted in the agri-food system and the rural economy in the Americas.

The Institute proposes to achieve this by:

- Becoming a knowledge-based institution .
- Adopting a new style of technical cooperation.
- Strengthening its strategic relationships with the Member States in order to better identify their needs and priorities.
- Developing strategic alliances with the international financial community.
- Facilitating horizontal technical cooperation among the countries.

However, the above require an institutional transformation that includes internal reorganization and the adoption of a business-like approach. The decisions taken so far towards the achievement of these goals are as follows:

- Implementation of a new structure based on an integrated management framework.
- Development of a results-based management system.
- Strengthening the mechanisms for corporate governance and management.
- Reduction of bureaucracy.
- Promotion of financial prudence and accountability.
- Promotion of fundamental principles and values, including flexibility, commitment, efficiency, tolerance, a spirit of service and a commitment to hemispheric solidarity and social equity.

Complementary to the above and as mandated by new responsibility given to IICA by the Thirtieth General Assembly of the OAS, the Institute will promote a new **hemispheric platform that will facilitate: dialogue; strengthen and expand alliances with strategic partners; and, investments for agriculture and the rural economy.**

This hemispheric platform will provide a means for the stakeholders to benefit from the know-how generated in the hemisphere and the rest of the world. The intention is to link the flow of knowledge and resources available at the local and national



levels with the same at the regional and hemispheric and, finally, at global levels.

Establishing a hemispheric platform to link those different levels of action provides an opportunity to:

- Link the community of agriculture and rural life with the society of knowledge;
- Develop new types of cooperation between countries and international organizations; and
- Organize and increase the flow of national and international investments.

IICA's new administration is convinced that this **strategy for transforming rural isolation into a global prosperity network** will constitute the foundation for the institutional framework of the countries of the Americas in the 21st Century.

And so, as we begin today a new chapter in the life of this great institution, let us not forget the building blocks of the past. Let us remember with admiration and respect the contribution of those who have led this institution with honor and pride. I speak of the contributions and the vision of Dr. Henry Wallace, Secretary of Agriculture of the United States of America. I speak of Dr. Earl Bressman, Dr. Ralph Allee, citizens of the United States of America; I speak of Dr. Armando Samper and Dr. Carlos Madrid, citizens of Colombia; I speak of Dr. Jose Emilio Araujo, a citizen of Brazil; I speak of Dr. Francisco Morillo, a citizen of Venezuela; I speak of Dr. Martin Piñeiro, a citizen of Argentina; and I speak of Dr. Carlos Aquino, a citizen of the Dominican Republic.

Each one in their own way has made significant contributions to the Institute towards the goal of developing agriculture and improving rural life in the Americas. Today we express our deep gratitude and sincere appreciation to these pillars in our hemisphere, especially those who are with us today.

But, the Directors General could not have done it alone. And so we express our appreciation to the staff of IICA, both past and present, for their contribution also. We also express our gratitude to the Member States, who year after year, for 60 years through sometimes difficult circumstances have continued their support and commitment to IICA. They too must be commended. Let their work and their efforts be an inspiration for the future of our Institute and let us, current employees, rededicate ourselves to the service of the Member States.

I am here today because I still believe that one day humankind will achieve the triumphant 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.

I thank all of you for your distinguished presence at this event. Your cooperation and positive attitude toward IICA will be a source of energy in our efforts to enhance the relationship, based on real partnerships, between IICA and the countries of the Americas.

Thank you.



Luncheon to Celebrate the 60th Anniversary of the Institute

IICA Headquarters. October 4

A very pleasant afternoon to you all. It is a special honour for me to welcome you to this luncheon to celebrate the 60th anniversary of the Inter-American Institute for Cooperation on Agriculture.

Throughout this morning's session we were able to learn a great deal about the history of IICA from its conceptualization in Washington D.C. to its establishment in Turrialba, Costa Rica and later its siting here in Coronado.

As we celebrate our 60th anniversary, we not only have to review our past but concentrate on addressing the way in which we will project towards the future. We want IICA to become a development agency - an institution which not only concentrates on technical areas but also interacts and engages in substantial dialogue with those involved in agribusiness. By so doing, IICA will be able to make an even greater contribution to the modernization of the national institutions that are involved in both helping the agricultural sector to progress and in fighting rural poverty.

It is imperative that our Institute be in the vanguard of the new focal areas such as high standards in agricultural production norms, global trade, the efforts to increase competitiveness, the effective incorporation of food safety standards, attention to changes in consumer preferences, the fight against pests and animal diseases, food security and of course, the fight against rural poverty.

Throughout Latin America and the Caribbean, institutions are expecting IICA to develop new capabilities; innovative mecha-



nisms in production, in agro-processing and in trade as well as access to new technologies and to information. In addition they expect IICA to have personnel with training in new and specialized areas, such as the strengthening of negotiating skills in multilateral fora on world trade and with respect to the new free trade agreements in the Americas. That, ladies and gentlemen, is the new scenario in which IICA will have to operate.

At this juncture, I would like to make special mention of a number of persons, without whose great assistance and dedication, today's events would not have been possible. Let me begin by thanking the Government of Costa Rica, who was represented today at the highest level by the acting President, Mrs. Lineth Saborío Chaverri. Our sincere appreciation is also extended to Mr. Rodolfo Coto Pacheco, Minister of Agriculture and Livestock as well as all the other members of Costa Rican Government who joined us on this auspicious occasion.

Permit me to make a special reference to the contribution of the International Council of Grocery Manufacturers, who are co-sponsoring this luncheon and to the Herradura Hotel, which continues to provide outstanding service at this and many other IICA's events. Our thanks to the panelists, Mr. J. B Penn, US Undersecretary for Agriculture and Mr. Joaquim Von Braun, Director General of the International Food and Policy Research Institute (IFPRI) who delivered inspiring addresses and gave us much food for thought.

I wish to recognize the Organization of American States for passing a Resolution congratulating IICA on reaching this milestone.

To Dr. Carlos Molestina, a long serving member of IICA who has invested a tremendous amount of effort in compiling a book to

commemorating our 60th anniversary, I say a very warm thank you. Special thanks too to Laura Coto, Head of the Orton Library at CATIE in Turrialba, who collaborated closely with Dr. Molestina in the compilation of an extensive number of bibliographical references, which are now available on CD rom.

Our gratitude also to all those who have provided special services such as the security service personnel provided by the Government of Costa Rica as well as the interpreters and translators who have been working tirelessly behind the scenes to ensure that everything runs smoothly.

My personal thanks to each and every staff member at IICA for all that you are doing to make our Institute the premier institution on agriculture in the hemisphere. However, it would be remiss of me not to highlight the outstanding contribution of Mrs. Leda Avila, Coordinator of Special Events and her team and Patricia Leon, Head of Public Information and Corporate Image and her team who have worked round the clock to ensure the success of these important activities.

To all of you present here today, I say a very heartfelt thank you for taking the time out of your busy schedules to come to Coronado to share in this very special occasion in the history of our dear Institute.

Ladies and Gentlemen, I thank you.



The Need for Public and Private Investment in the Rural Economy

Opening Session, 60th Anniversary Forum
IICA Headquarters. October 4

The importance of agriculture and rural life was recognized in the mandates of the last Summit and in the decisions adopted by the Ministers in the Declaration of Bavaro. While this recognition made a significant contribution to the efforts to renew the importance given to agriculture, it also provided new challenges.

The Heads of State and Government assigned an important role to agriculture for the achievement of the international development goals by the year 2015. This role provides new challenges and it demands: changes in the conception of agriculture and the traditional role assigned to it by society; strengthening agriculture's linkages with other aspects of life in rural areas and the linkages between rural and urban areas; and it also demands new responsibilities and a proactive leadership on the part of public and private agricultural institutions.

These challenges lead to the following important questions:

- How can this important recognition at the highest level in our countries be translated into concrete actions? and,
- How can institutions in the sector reach a consensus on a common vision for the agriculture and the rural life envisaged for 2015, generate new resources and articulate joint actions at the national and international levels to facilitate the sustainable development of agriculture and bring about prosperity in rural communities?



Accordingly to IPPRI "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, and that demands in turn, a new role for public, private and international organizations.

Past and even current development models have an anti-rural bias in which the recommended approach to modernizing the economy and the "spillover" effect of the post-war period promoted a development pattern that was based on industrialization and favored 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. Their political importance result in greater public investments in services for urban areas.
- 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 the rural areas due to inappropriate public policies on investment, trade and taxes.
- The spill over effects of increased rural poverty into urban areas.
- An increasing proportion of the national budget being allocated for investments to solve the growing problems in the cities.
- 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.

It is therefore necessary to *adopt a new development model(s)* that facilitates:

- Better rural-urban balance through integral development of both urban and rural areas.
- Greater investments in rural areas that are essential to:
 - i. Ensuring social and political stability.
 - ii. Promoting the competitiveness of agriculture and rural economic activities.



iii. Creating rural agricultural and non-agricultural employment that support an acceptable level of livelihood in rural areas.

- 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:*

- 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 improve their standard of living.
- 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 mechanism to implement this strategy is a hemispheric platform that will facilitate: (i) dialogue; (ii) strengthen and expand alliances with

strategic partners; and, (iii) 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 trends on issues that are critical for the sustainable development of agriculture and the rural community. The goal will be to link the flow of knowledge and investment resources at regional, 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.

I invite you, my friends and colleagues to share with us, as members of the Agriculture and Rural Life Community of the Americas, two aspects:

- *Your vision of agriculture and rural life of 2015*, which will meet the dream of our Heads of State and Governments, as stated in their Summit's Declaration of Quebec City; and



- ***Your ideas for a new institutional framework to transform rural isolation into a network of global prosperity, in terms of the following 3 aspects which I just outlined: (i) the development of linkages with the global society of knowledge; (ii) the develop of new styles of cooperation among international organizations and countries; and (iii) the mobilization and increase in the flow of national and international investments towards agriculture and rural communities.***



IICA's 60th Anniversary: Shaping the Agriculture of the Year 2015

**Closing Session, 60th Anniversary of the Institute
IICA Headquarters. October 4**


On behalf of the Inter-American Institute for Cooperation on Agriculture, it is my honour to express our sincere gratitude to all of you for attending and participating in this commemorative celebration of IICA's 60th anniversary.

We also wish to thank all those who addressed the participants in this morning's session. We were enlightened by their thoughts on the agriculture of the future, and its potential contribution to achieving the international development objectives set for the year 2015.

This afternoon's panel discussion was inspiring, and helps to create an environment conducive to the generation of new joint actions between the key players in agriculture and the international development cooperation organizations.

We are especially grateful for the presence of those representatives of international organizations who were able to join us today and participate in this enlightening activity. Their willingness to work together for the improvement of agriculture and rural life inspires us to do even more. It is increasingly clear that we must work with our stakeholders to build a shared vision and reach consensus for action. Our peoples and Heads of State and Government have demanded much from us.

To our Directors General Emeritus, our deep gratitude for their personal contributions to IICA over the years, and for the wisdom they shared with us during this afternoon's session. Your clarity of thought forms part of the intellectual heritage of this Institute.



Also, we wish to acknowledge the participation of the Ministers of Agriculture. Your contributions will help us to shape the vision of agriculture in the Americas, and will bring a sense of urgency for actions that must be taken to ensure that prosperity in the rural communities of each and every one of our countries, so long overdue, will become a reality even before 2015.

At this special moment in the life of our Institute, and for the future of agriculture in the Americas, we have rendered well-deserved homage to the vision of the founders of the Institute, while affirming our long-term commitment to prosperity in the rural communities of the Americas.

Building the Vision and Seeking Consensus for Action

In 2001, within the context of the Summit of the Americas process, the leaders of agriculture entered into a dialogue which yielded important commitments that are contained in the Declaration of Bavaro for the Improvement of Agriculture and Rural Life in the Americas. Also, the Ministers of Agriculture made significant progress vis-à-vis the "Strategic Guidelines for a Shared Agenda for the Community of Agriculture and Rural Life in the Americas."

These important advances in policy direction and in the identification of strategic priorities constitute important building blocks for the joint preparation of a vision of agriculture for the year 2015, and an invitation for immediate joint action. What we have done here today, and the outcome of our work, will add to the progress we have already achieved.

"Working Together"

Our challenge therefore, is to achieve the international development objectives set for the year 2015, which constitute a general framework for the contributions to be made by individual persons, institutions and economic sectors.

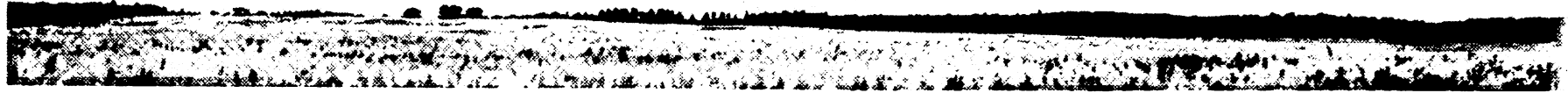
Agriculture has a role to play in reaching these objectives. Prosperity in rural communities demands our full commitment and a sense of partnership and solidarity.

Time is of the essence, and the challenges are formidable. The deadline of 2015 for achieving the international development objectives is closer than we think. This year, the international community came together to evaluate the progress made in terms of sustainable development since the Earth Summit, held in Rio de Janeiro in 1992. The World Food Summit + 5 was also held this year. It became clear that little progress has been achieved.

However, we do not believe that the results of these evaluations are cause for discouragement. To the contrary, they should motivate us to think even more seriously about the realities we face, and the consequences of continuing at the current pace and with the limited instruments that we have at our disposal today.

As members of the Community of Agriculture and Rural Life of the Americas, we have common problems, shared and differentiated responsibilities, and also a common future to build.

On this, our 60th anniversary, we renew our willingness to work together, and we invite all of you to join in our efforts to strengthen the production, social, political and institutional base



of our countries, pooling the strengths and capabilities needed for the comprehensive and sustainable development of our rural communities.

The Ministers of Agriculture will meet in Panama in November 2003 to participate in the Second Ministerial Meeting on Agriculture and Rural life in the Context of the Summit of the Americas Process. Together, we can ensure that this meeting will constitute an important step in shaping the agriculture of 2015.

I invite all of you to take up the challenge for the next 12 months: to support the Ministers of Agriculture in their efforts to bring to the attention of the countries of the Americas and the international community, at the Second Ministerial Meeting, the Plan of Action for the Implementation of the Declaration of Bavaro. This will contain both a vision of agriculture and rural life for the year 2015, as well as current and future strategies and initiatives for "working together."

Thank you





Agriculture in Honduras and the Challenges and Opportunities of the Twenty-First Century

**Honduran Agricultural Forum
Tegucigalpa, Honduras. October 8**

For me, as Director General of the Inter-American Institute for Cooperation on Agriculture, it is a great honor to join you in inaugurating the Honduran Agricultural Forum (MAH), a mechanism for defining medium- and long-term policies for the national agricultural sector, which, through its actions, will facilitate human and other types of development in the countryside within a framework of sustainability, poverty reduction and rural well-being.

The MAH will be made up of more than 200 producers and consist of twenty commissions, focusing on specific commodities, as well as another ten focusing on sectoral policies, that will discuss specific problems and seeks solutions aimed at making the country more competitive and efficient.

Agriculture is the most important socioeconomic sector in Honduras. It makes a fundamental contribution to the national economy in terms of gross domestic product and the generation of employment and foreign exchange. Nonetheless, in recent years, due to external factors such as the drop in prices of agricultural products on the world market and the occurrence of natural disasters, productivity and production have been declining. Demographic growth adds other challenges such as the basic need to ensure food security.

Honduras, a country that has traditionally produced and exported primary agricultural products, such as staple grains, coffee, bananas and wood, is losing competitiveness on these markets. However, it has the agro-ecological conditions needed to diversi-



fy its production base considerably, with a view to adapting to changes in demand on international markets. Exports of non-traditional products have met with some success.

1. Where is agriculture headed in the 21st century?

- The agriculture of the 21st Century will be influenced by seven major global factors:
 1. Globalization and trade liberalization on world markets.
 2. Population increase and urbanization.
 3. Biotechnology.
 4. Information and communication technologies.
 5. Consumer preferences.
 6. The environment.
 7. Government policies.

1.1 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), new rules and regulations are governing international trade. 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 those products that incorporate social, health, and environmental considerations.

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 countries in the Western Hemisphere. The countries of Latin America and the Caribbean (LAC) will be challenged to improve the competitiveness of their agricultural sectors in order to participate fully in this new global scenario.

1.2 Population increase and urbanization

Recent statistics show that by 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. Much of the population increase is expected to take place in the cities of the developing world.

According to the 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 better life, and the demand for food, rise. Agricultural production and research systems will be chal-



lenged to keep abreast of changing dietary preferences in coming years and will have to utilize all the technologies, policies and management systems to increase the productivity of the rural sector.

1.3 Biotechnology

There has been substantial development in biotechnology and genetic engineering in the last 20 years, which offer new prospects for increased agricultural production. However, while biotechnology has the potential to produce crops and livestock that are more efficient, more productive, 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 global area under genetically modified crops was 40 million hectares in 1999 and this is expected to reach 85 million hectares in 2003 (6% of the total global 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 biotechnology of the future.

1.4 Information and communication technologies

Rapid changes in information and communication technologies offer new challenges and 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 dissemination of information to current and potentially new clients and customers.

The new technologies, together with increased globalization and market integration, 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 the 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.

1.5 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 to agriculture will be to satisfy consumer demand while ensuring the safety and reliability of foods.

1.6 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 displacement of rural people.



Over the next thirty to fifty years, world food requirements will more than double. The challenge to agriculture will be to provide for the food needs of the vastly increased population on reduced acreages of farm land 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: Programme of Action for Sustainable Development in Rio de Janeiro, 1992.

1.7 Government policies

The structural adjustment programmes of the recent past have resulted in a reduction in the budgetary resources allocated to the Ministries of Agriculture in several countries of the hemisphere. However, the global scenario requires a critical role for the State in the provision of the regulatory framework for agriculture, a policy framework, and support services such as rural infrastructure, security of land tenure, and training, research and extension, which are all necessary for the development of a competitive agriculture. The 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.

The legal framework for agriculture in Honduras has long been a concern of the governments. However, given the rapid pace of change in global economic, political and social conditions, it is now necessary to review, adjust and modernize the framework of policies and strategies. Above all, it is necessary to define them as *STATE POLICIES*, to be used not in planning for the immediate

future, but rather in setting the course for the short, medium and long terms, in keeping with the country's vision of promoting sustained comprehensive development.

In terms of technology, promising options have been developed in recent decades, but there is still need for support services, such as timely, effective and efficient funding, specially designed technical assistance, training in business management, market intelligence and access to land.

Despite the progress achieved and the resources invested, extreme poverty still exists, especially in the countryside, where small farmers work and live. In this context, it is necessary to organize producers and production on the basis of demand and to link these producers and products to the market. Since little value is added to agricultural products, producers are less able to compete and to negotiate. This is another of the many challenges facing agriculture in Honduras.

Globalization and the liberalization of markets constitute opportunities, but are also challenges that have a dramatic impact on agricultural development which must be met with imagination and initiative and quality by producers, the public sector and the rest of civil society. Honduras has begun the process of negotiating and concluding free trade agreements and is preparing to participate in the Free Trade Area of the Americas. At the regional level, the integration process under way in Central America is another of the immediate challenges for the country and its farmers.

In Honduras, despite some progress in diversifying agricultural production, agriculture continues to be a primary production activity. In general, little value is added to products, which concerns the government, especially as regards exports, which are



placed on the international market after undergoing only minimal processing as raw materials for industry in other countries. Hence, the special interest in defining agrifood chains in response to this situation.

Allow me to take this opportunity to tell you that IICA has been providing technical support to the Secretariat of Agriculture and Livestock in the analysis of several agrifood chains, such as coffee, dairy products and corn, under the USDA-funded project "Agrifood Chains." The analyses of these agrifood chains will add much to discussions of the MAH.

Funding is perhaps the most important factor affecting agricultural development, especially small- and medium-scale agriculture. Inasmuch as there are few alternative sources of funding, the government has created the Law on Agricultural Solidarity, which is intended to help meet the funding needs of small- and medium-scale farmers. As a result, they will not have to abandon agriculture and seek employment elsewhere, mostly in cities in other countries that offer them an opportunity for a better life.

The Government of the Republic is aware of this situation, and has decided to adopt and implement the agreements reached at the Meeting of Ministers of Agriculture held in Bavaro in November 2001, recognizing that the country is at a crossroads as regards agriculture and the new rurality, and that the application

of these agreements will lead to the improvement of agriculture and the quality of life for the largest segment of the population. Also, it considers that the importance of the agrifood sector, of agribusinesses and trade cannot be underestimated.

The structural adjustment programmes of the recent past have resulted in a decline in the amount of budgetary resources allocated to the Ministries of Agriculture in several countries of the hemisphere. However, the global scenario demands that the State play a critical role in the provision of the regulatory framework for agriculture, a policy framework, and support services such as rural infrastructure, security of land tenure, and training, research and extension, which are all necessary for the development of a competitive agriculture.

The 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 the most critical.

I am very pleased to see that the government has again decided to support agricultural development, and I wish the sector success in all its efforts in the future.



In Support of Sustainable Agriculture: Links with Tourism and the Environment

**Meeting of Latin American Secretaries and
Ministers of Agriculture
Santo Domingo, Dominican Republic
October 24 - 25**

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:

1. First, I will speak about the vision and concept of the expanded agricultural sector and sustainable development.
2. Second, I will discuss the vital linkages between agriculture, rural tourism and environment, as well as the challenges and opportunities.
3. I will conclude with thoughts on fostering Ibero-American cooperation for the sustainable development of agriculture and rural life.

Part One: 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 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 governability. 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 proposal is based on the conviction that what is agricultural cannot be separated from what is rural. Accordingly, we propose an broader concept of agriculture that includes management of agri-food systems and of rural territories. We also advocate a 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 highlights 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 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 *vis-à-vis* 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 for tackling 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 disintegration, in direct contradiction 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: a) territories as the units targeted by such policies; b) cooperation between public and private, national and local agents as a key to effective management; and c) the role of the State as a provider of public goods, economic direction and regulation, and a builder of democracy.

In sum, we view this expanded agricultural sector as a source of life, of our sustenance: water, food and energy. It is the source of employment and refuge for our families; it provides us with scenery that quenches our spiritual thirst and provides us with opportunities for recreation and adventure where 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 promising economic activities for sustainable agricultural and rural development if they are undertaken with respect for nature.



Part Two: 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, 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 the demand for food from 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 that its real contribution to

national development and the well-being of the population is recognized. Accordingly, more weight must 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 and consumption of 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 less natural resources to work with. We must become aware of this situation and urgently adopt new and sustainable forms of production of 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, the 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 has grown. Some 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 the equestrian exhibitions and local gastronomical tours in Peru.

The second area for linkages concerns the development of new products and destinations for the tourism industry, where scenic beauty and archaeological, cultural and historical attractions diversify the tourism supply to include ecological tourism (or ecotourism), rural and agricultural tourism, adventure tourism and

even scientific tourism, taking into account the international scientific community's interest in the immense biological diversity of our countries.

In Costa Rica, the tourist industry promotes trips to organic agriculture farms, to industrial plants that produce paper from the waste of banana production, to development complexes that combine sustainable agricultural farming with conservation and recreational areas. 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 give rise to frequent questions of how to develop this type of economic activity. The international community that specializes in the topic of ecotourism met, in May 2002, 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 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 tourism in the rural milieu face common environment-related concerns and challenges, which are to carry out production activities with a mini-



mum environmental and social cost and impact, and, at the same time, to create wealth based through a creative and sustainable use of 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 stemming from 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 upheaval, 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 formu-

late 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 ear 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" diseases 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 of 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 the WTO Agreement on Sanitary and Phytosanitary Measures requires this, nor merely to meet the quality and food safety standards of importing countries, but because it is necessary for the tourism industry. Quite simply, natural and prepared foods must meet high quality and safety requirements. Food production for consumption by tourists in any country should be treated as exports within the national territory and therefore meet the same quality requirements.

Distinguished participants in this ministerial forum: Allow me to underscore the important challenge of formulating appropriate



public policies for the sustainable development of agriculture, for the development of tourism, for strengthening the linkages between these sectors, and for strengthening the 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 them. In reality, they are part of a complex setting and we must start formulating multi-objective policies with a more holistic vision.

Part Three: Fostering Ibero-American cooperation for the sustainable development of agriculture and rural life

At the world, Ibero-American and regional levels, the Heads of State and Government have repeatedly expressed their concern for and a determination to bring about sustainable development in such a way that 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, in compliance with the mandates of the Third Summit, adopted the "Declaration of Bavaro for the Improvement of Agriculture and Rural Life in the Americas." In it, they recognize 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.

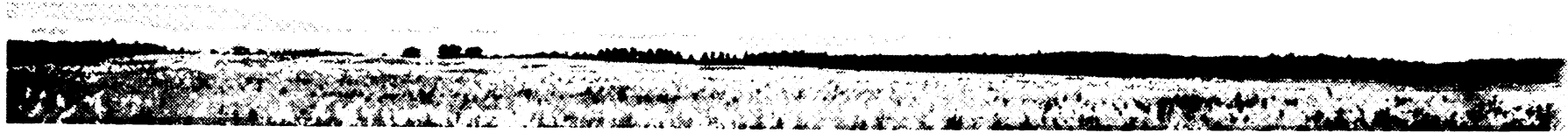
In the Ibero-American Summits of Heads of State and Government, a forum that addresses political and cooperation issues, agriculture has been discussed in five ministerial meetings on agriculture. Declarations have been adopted on the matter of agriculture, to which scant reference was made in the presiden-

tial documents. Thus, at this time, we do not have a process to monitor earlier ministerial agreements and specific cooperation programs to translate these declarations into concrete actions to benefit the community of agriculture and rural life.

I believe it is fitting, on this opportunity, to move to gain greater recognition for agriculture and rural development in the decisions contained in the Plan of Action of the Twelfth Ibero-American Summit. I also believe that all of us agree on the large objectives that must be met through development, and that agriculture can contribute to achieving those objectives. Let us go one step further and include agriculture on the cooperation agenda of the Ibero-American Summits. With your political determination and that of your respective governments, we can make a difference at this Summit.

Such a decision will be supported by two favorable factors. The first is that the 21 Ibero-American countries unanimously resolved to create a Permanent Cooperation Secretariat, which will serve as a foundation for monitoring cooperative initiatives in the different priority areas set out in the Plan of Action. The second is IICA's political determination and dedication to service and cooperation for development, which is facilitated by the fact that we have offices in all our Member States. In addition, we recently opened an office in Madrid, capital of Spain, an associate partner of IICA, where the Permanent Cooperation Secretariat of the Ibero-American Summits will also have its headquarters.

So, let us take this ministerial meeting as an opportunity to promote and coordinate horizontal and multilateral cooperation among the 21 countries (19 in the Americas and two in Europe) in the area of agriculture and rural development, especially con-



crete cooperation actions that contribute to upgrading national capabilities and resources for the sustainable development of agriculture and tourism in the rural milieu.

Allow me to suggest that during these two days and thereafter, we lay the bases for Ibero-American 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.

Distinguished ministers: I hope these ideas will stimulate our discussion on ways to incorporate agriculture and rural life into Ibero-American cooperation programs so that we may move from declarations to specific actions for the well-being of the rural populations in our countries.

Thank you very much for your attention.





Welcoming Remarks at the Presentation of the National Development Plan for Costa Rica

IICA Headquarters. October 31

The Inter-American Institute for Cooperation on Agriculture is the agency of the Inter-American System that specializes in agriculture and the promotion of the well-being of the rural population. Today, at the end of 60 years, with 34 Member States and a hemispheric network of Offices, the Institute stands ready to tackle the challenges of the Twenty-first Century.

Based on a new vision, a new mission, and also new objectives, it plans to become a development agency that promotes the sustainable development of agriculture, food security and prosperity in the rural communities of the Americas. It will do this by further developing capabilities in the area of trade, strengthening agricultural health and food safety systems, promoting rural agribusinesses, fostering the sound use of natural resources, and encouraging innovation in technology.

IICA, which is in the process of repositioning itself, can draw on many lessons learned over 60 years of institutional life.

The IICA Office in Costa Rica has presented the document "IICA and Costa Rica: A new vision for 2002-2006". This document marks the beginning of IICA's new model of cooperation in the country, aimed at repositioning the Institute as the Inter-American agency specialized in agriculture and rural development, and seeks to outline to its partners the orientations and guidelines that will steer institutional collaboration efforts towards the transformation of agriculture and Costa Rica's rural milieu.



The Vision, Mission, Objectives and Actions of this Office, in line with the institution's orientations and strengths, respond to the petitions received from authorities of the national agricultural and rural sectors. It would not have been possible to undertake such a comprehensive process and to identify the different joint work areas for IICA and Costa Rica without the support of IICA Headquarters, of the Ministry of Agriculture and Livestock, the Ministry of the Environment and Energy and other organizations and institutions of Costa Rica's Government and the private sector.

Conscious of the great challenge that lies ahead, we wish to thank the Government of Costa Rica for its trust and desire to work together in support of Costa Rica's rural well-being and food security.

Welcome to this, your House of Agriculture. For us, it is a great honor to know that the President of the Republic and the Minister of National Planning selected IICA as the site for the presentation of such an important proposal.

Good day to all of you.



Reducing Hunger by Sharing Global Prosperity with the Rural Communities of the Americas

FAO/IDB Technical Meeting
Washington, D.C. November 12

I applaud both President Iglesias and Director General Diouf for your wise remarks and your commitment to enhance food security and accelerate rural development in Latin America and the Caribbean countries. IICA shares your commitment and will actively collaborate in the achievement of the millennium goals in our hemisphere.

Origin and Growth of IICA

Sixty years ago, while Europe was at war and the threat of global conflict enveloped our world, Dr. Henry Wallace, the Secretary of Agriculture and subsequently Vice President of the United States of America stated:

"It is our sincere belief that the establishment of an Institute of Tropical Agriculture is vital if Western Hemisphere agriculture is to develop as it should. This proposal, which we in the Department of Agriculture have been considering for a couple of years, has been endorsed by President Roosevelt's Interdepartmental Committee on Cooperation with the American Republics," and so IICA was founded in 1942.

Since 1942, agriculture and the rural population in the Americas have been strengthened through hemispheric cooperation. Today, 34 IICA offices across the length and breadth of the hemisphere are working to support development programs with Ministers of Agriculture, private sector entrepreneurs and civil societies.



Today, the world is different to that faced by the rural poor in the Americas when the Institute was founded. Significant progress has been made in deepening democracy in the region, per capita income has improved and life expectancy increased. Yet, close to 200 million people in this hemisphere are still in poverty, and the gains made rest on fragile foundations.

Rapidly changing conditions in the global economy challenge the competitiveness of agriculture and the well being of the rural family in the Americas.

From the technological viewpoint, in the coming years, agricultural production and research systems will be increasingly challenged to keep abreast of changing dietary preferences and will have to utilize all the technologies, policies and management systems available to increase the competitiveness of agriculture and increase food production consistent with environmental sustainability. It is encouraging that substantial developments over the past 20 years in biotechnology and genetic engineering, precision farming and transportation, no-till agriculture, agroforestry and water management offer us new prospects for increased agricultural output.

Improved education, communications, and higher incomes have resulted in a greater awareness of the importance of adequate nutrition for good health and general well being. 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 food availability but, also, to ensure the safety and reliability of food supplies.

At their meeting in Quebec City in April 2001, the Heads of State in the Americas stressed the strategic importance of agriculture

as a way of life for millions of rural families and assigned to agriculture a key role in the generation of prosperity as one way to eliminate poverty. They also asked the international and regional organizations to help realize the enormous potential in the region to create prosperity in the countryside in a manner compatible with sustainable development, rural-urban harmony and social stability.

More recently, the Ministers of Agriculture met in November 2001 for the First Ministerial Meeting on Agriculture and Rural Life, held in Bavaro, Dominican Republic. At that meeting, they concurred with the Summit's Declaration and issued the Declaration of Bavaro, which among others, highlighted the essential role of agriculture, agribusiness, and agri-trade must play in fostering and promoting *food security* to achieve rural prosperity.

The question is how to translate this challenge into specific actions that enable us to join forces, generate new resources and articulate combined actions at the national, regional and international levels.

It will take political commitment and the articulated efforts of national and international development organizations to respond to this challenge. The resources required to develop a competitive agriculture and to foster rural prosperity exceed the possibilities of any one organization.

The global economy of the twenty-first Century is changing rapidly, generating new opportunities for some, especially those who are linked to the new information and communications culture and with the required know-how to thrive in the new environment. It also provides fewer opportunities for those who are isolated from the new technologies and their institutions and remain



trapped in institutions which have remained stagnant in the face of accelerated global change.

Honorable Ministers, IDB leaders, colleagues, and friends: we are part of a hemispheric effort to reposition agriculture and the rural economy. We believe that the international community must work together with national leaders to identify and forge, with the full participation of civil society, a new institutional framework based on strategies for the sustainable improvement of agriculture and rural life.

We must recognize that we cannot address the problems facing the rural world with a vision rooted in yesterday's institutions and solutions. We must support genuine and sustainable efforts at the national level to build an institutional framework that promotes cooperation of the State, the private sector and civil society and in particular, we must acknowledge that no one institution can do it alone. The food security problems faced by the rural poor and their communities demand that we combine our efforts and resources. We must become more effective, cut down our costs and improve the actual flow of resources to the rural sector.

IICA of the Future

As IICA renews its commitment to our Member States, in their efforts to bring about the sustainable development of agriculture, food security throughout the hemisphere, and prosperity in the rural communities of the Americas, we are conscious of the fact that facing the new challenges requires a "new" IICA -- an IICA that is proactive, innovative and accountable. An IICA that is committed to the cause of the rural poor.

The new IICA administration is convinced that a broader approach to the development of agriculture, enhancing food security and

creating prosperity in the rural sector should be adopted. This leads us to the inescapable conclusion that for the Institute to implement the new mandates, we must begin to view IICA's role within the larger context of development.

To do this, the Institute should be transformed from a technical cooperation institution into a development organization, whose actions are firmly rooted in the agri-food system and the broader rural economy in the Americas and which works with the international financial organizations in the conceptualization, preparation and implementation of rural development projects designed to promote sustainable agricultural development and food security.

The Institute proposes to achieve this by:

- Becoming a knowledge-based institution.
- Strengthening its strategic relationships with the Member States in order to better identify their needs and priorities.
- Establishing strategic alliances with the international and regional development partners; and
- Promoting horizontal cooperation and knowledge exchange among our Member States.

In response to the mandate given to IICA by the Thirtieth General Assembly of the OAS, the Institute will promote a new hemispheric platform with a central focus: **To bring the isolated rural communities into the mainstream of XXI Century's prosperity.**

This hemispheric platform will provide a means for the stakeholders to benefit from the know-how generated in the Americas and the rest of the world.



IICA is convinced that this strategy for transforming rural isolation into a prosperous and connected population will constitute the foundation for the institutional framework of the countries of the Americas in the 21st Century.

Our vision and marching orders are already supported by the leadership of the Inter-American Development Bank who has pioneered a rebirth of new financing for the rural sector. We are particularly pleased with IDB's emphasis in Information and Communication Technology for the isolated rural sector. The people of the Americas and their leaders must learn to transform electrons into calories to feed the bodies, but we must also bring nourishment to their minds. And here, we also applaud the Food and Agriculture Organization on programs like WAICENT. The Institute is looking forward to integrated networks like WAICENT and the networks of the World Bank to improve access to new knowledge products for the hemisphere. The Institute also recognizes the important lessons and contributions made by our historical ally USAID in the initiatives sponsored by this great organization in developing non-traditional exports and in assisting in the establishment of new, democratic and competitive rural institutions. Food security and rural income have improved thanks to these successful projects in the past and these must continue into the future.

Our recently launched alliance with the Pan American Health Organization will also allow us to implement cost-effective initiatives in the fields of Food Safety and Animal Health - indispensable elements in any food security strategy.

As you all know, on September 11th, 2001 terrorism struck the United States killing some 3000 people. I feel the pain of those who perished and the suffering of their loved ones. But every day,

16,000 people of this world die from hunger and starvation. I too feel their pain and suffering. Their suffering will only be resolved through the political will to commit to a war on poverty - a war of help for 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 of the Andean countries, the poor of North America and the poor of the South. Our world of the 21st Century has the technology, our world has the resources, our world must find the will to provide that coalition of national, regional and international effort that the circumstances demand. We must not miss the great opportunity to conquer hunger and poverty by neglect. Let us join hands to promote a world free of hunger.

Finally, I reassert a central theme. No one can do it alone. We must listen more to our people and to each other. Our responsibility to eradicate rural poverty and reach the millennium goals demands that we fight less to preserve our turf and instead we join forces to improve farmer's income and rural food security.

I thank the IDB and FAO for your kind invitation to attend this important event. Your positive attitude toward IICA will reenergize our commitment to strengthen rural development partnerships to benefit the rural poor.

Through this open collaboration we should succeed in bringing the gift of new science, new institutional arrangements, and new knowledge to our farmers and their communities.

I am positive that when we meet in 2015 to celebrate IICA's 73rd anniversary we will have significant reasons to rejoice in the successful accomplishment of the millennium goals for the Americas.

Thank you.



Promoting Public and Private Sector Investment in the Rural Economy

Address to the Ambassadors of the Countries of the Americas
Washington, D.C. November 14

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 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 our 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 Ministerial Meeting of 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.

The 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. To achieve such positioning, what is needed is a new "agriculture," a new culture for agriculture.



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

As an international institution, 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 in ensuring that all those involved in agriculture continue to contribute to food security, social progress and stability in our Member States.

I have the great honor, and responsibility, of heading the new administration of IICA. The administration is convinced that this strategy, already being implemented by the Institute, will lay the foundations on which the institutional framework of the twenty-first century will be built in the countries of the Americas. Therefore, the challenges for the future are to strengthen relations with the Member States, who are our partners, and to help them work toward a hemisphere that is food secure, technologically prepared, environmentally friendly and socially accountable for this and future generations.

We must recognize that we cannot tackle the problems currently facing the rural sector with a vision that is now out of date, and that we must support genuine and sustainable efforts at the national level aimed at the construction of an institutional framework that promotes cooperation and the convergence of the State and civil society.


All this must be done within the framework of a market economy that depends on bigger and more transparent markets, and also requires that public and private organizations play a new role. First and foremost, we must strengthen processes designed to bring about modernization with democracy.

I am convinced that if the link between these two elements is strengthened, all the social strata in the agricultural sector will reap the potential benefits of the new national and international environment in which agriculture operates.

But it is also clear to us that a focus on agriculture alone will not solve the problems of rural poverty or promote rural prosperity in the Americas.

A recent document prepared by USAID states quite clearly that "increases in agricultural production and productivity are strategically important to national economies. Agriculture and the food industry have greater linkages and associated income and employment multipliers than are found in the rest of the economy. While populations depend on agriculture for food and other raw materials, the sector also generates employment in transportation, processing, marketing, manufacturing, supply, and other input- and output-related products and services.

Significant valued-added is generated from agriculture-based manufacturing and services, amounting to more than 30 percent of GDP in Chile and Brazil. As agricultural production and income rise, the demand for non-agricultural goods and services increases. It has been estimated that every U.S.\$1 increase in agricultural output in Latin America increases overall economic output by almost U.S.\$4 (Pinstrup-Andersen and Babinard 2001). More



importantly, much of the spending associated with increased incomes and multiplier effects takes place in rural settings, providing additional opportunities for the economic integration of the poor and increasing the potential for sustained poverty reduction."

"With new opportunities for increasing agricultural exports in conjunction with further trade liberalization under the WTO and the expected adoption of the FTAA, agriculture has the potential to play an even greater role in the economic growth of the region. The challenge will be to take advantage of new opportunities presented by globalization and free trade by making the sector more competitive, while also reducing poverty and protecting environmental assets."

Notwithstanding the important role of production agriculture, there is strong evidence that off-farm, particularly non-farm opportunities, should receive far more attention. Heterogeneous accesses to assets and variations in the enabling environment have resulted in income-earning strategies that are highly diverse across regions and households. The income strategy pursued by most poor rural households in LAC is one that combines the cultivation of a small plot of land with access to off-farm employment. In fact, by the second half of the 1990's, rural off-farm income represented more than 40 percent of the total income of rural households in the vast majority of the countries studied.

The magnitude of the role of off-farm income among landed households is surprising to many. For example, 73 percent of landed households in Mexico and 34 percent in Nicaragua derived more than half of their income from off-farm activities.

However, for agricultural and rural development to assist in resolving the problems of rural poverty we must clearly identify the paths to rural prosperity.

Development economists usually identify three paths for the way out of poverty which can lead to prosperity in the rural sector:

- **The exit path** - this has to do with migration from the rural areas to the city of the country where you live or to the big cities of other countries.
- **The agricultural path** - this path is pursued by people with access to land, where there are favourable conditions for a marketing of the products and appropriate institutional arrangements are in place for access to technology information and markets. Most rural poverty reduction programs focus on this approach.
- **The Assistance Path** - This path is characterized by the transfer of assets to poor households through a one time transfer of assets, or a sustained transfer of food aid or income to the poor. This is a costly approach and is often associated with safety nets for alleviating poverty and to keep transitory poverty from becoming permanent.

Our approach recognizes that 40% of employment in rural areas is in the non-farm sector and 50% of all income is derived from non-farm sources. This approach recognizes the need to focus on farm and non-farm sources of income in order to alleviate rural poverty.



The approach also recognizes that a substantial number of the rural poor have no access to land and even where land is available their capital assets are not sufficient to invest in modern technology. This approach therefore takes a holistic approach to rural development where agricultural and non-agricultural assets of the rural sector are considered and combined to provide for sustained economic growth. This approach seeks to exploit the agricultural and non-agricultural opportunities and the linkage between them in order to provide for complementary rather than competing relationships.

But, the rural sector has no hope for development unless there is an increased flow of investment capital from both the public and private sector in the rural economy. The international financial community must consider the importance of social balance and not profit in their investments in the rural economy if progress is to be made in curing rural poverty.

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

Accordingly 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. And that demands in turn, a new role for public, private and international organizations.

Past and even current development models have an anti-rural bias in which the recommended approach to modernizing the economy and the "spillover" effect of the post-war period promoted a development pattern that was based on industrialization and favored 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. Their political importance result in greater public investments in services for urban areas.
- 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 the rural areas due to inappropriate public policies on investment, trade and taxes.
- The spill over effects of increased rural poverty into urban areas.
- An increasing proportion of the national budget being allocated for investments to solve the growing problems in the cities.



- 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.

It is therefore necessary to adopt a new development model(s) that facilitates:

- Better rural-urban balance through integral development of both urban and rural areas.
- Greater investments in rural areas that are essential to:
 - i. Ensuring social and political stability.
 - ii. Promoting the competitiveness of agriculture and rural economic activities.
 - iii. Creating rural agricultural and non-agricultural employment that support an acceptable level of livelihood in rural areas.
- 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:

- 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 improve their standard of living.
- 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 mechanism to implement this strategy is a hemispheric platform that will facilitate: (i) dialogue; (ii) strengthen and expand alliances with strategic partners; and, (iii) 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.

I invite you, my friends and colleagues to share with us, as members of the Agriculture and Rural Life Community of the Americas, two aspects:



1. Your vision of agriculture and rural life of 2015, which will meet the dream of our Heads of State and Governments, as stated in their Summit's Declaration of Quebec City; and
 2. Your ideas for a new institutional framework to transform rural isolation into a network of global prosperity, in terms of the following 3 aspects which I just outlined: (i) the development of linkages with the global society of knowledge; (ii) the develop of new styles of cooperation among international organizations and countries; and (iii) the mobilization and increase in the flow of national and international investments towards agriculture and rural communities.
- Development of a strategic relationship with the Member States in order to better identify their needs in the rural sector.
 - Development of strategic partnerships with the international financial community.
 - Promote trade capacity building.
 - Promote agribusiness development and forge closer linkages with the private sector.
 - Promote education and training for modernization of the rural economy.
 - Promote horizontal technical cooperation among the countries.
 - Promote sustainable community development.
 - Promote protection of the environment.

The need to take this broad view of rural development leads us to the inescapable conclusion that if our Institute is going to take its rightful in promoting agricultural development and improving the welfare of the rural poor as mandated by the Summit Plan of Action 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 encompass the broader issues of the non-farm aspects of the rural sector.

To do this we believe that the Institute should be expanded from a technical cooperation institute for agriculture into an agency for rural development.

The instruments which the Institute proposes to use in promoting prosperity in the rural sector are:

In order to be effective in the delivery of the services mentioned above the Institute must undergo a process of internal reorganization that results in a modern organization with a business approach.

The decisions taken so far towards the achievement of this goal are as follows:

- Implementation of a new structure based on an integrated management framework.
- Development of a performance management results-based system.
- Strengthening the mechanisms for corporate governance and management.
- Reduction of bureaucracy.
- Promotion of financial prudence and accountability.



- Promotion of fundamental principles and values, including flexibility, accountability, commitment, efficiency, tolerance, a spirit of service, and a commitment to hemispheric solidarity and social equity.

I thank all of you for your distinguished presence at this event. Your cooperation and positive attitude toward IICA will be a source of energy in our efforts to enhance the relationship, based on real partnerships, between IICA and the Americas.



PAHO Centennial Symposium Celebrating Partnerships: 100 Years of Health in the Americas

**Panel: Best Practices in Interinstitutional
Collaboration
Washington, D.C. December 3**

I would first like to congratulate PAHO on 100 years of excellent and far-ranging service to the health and well-being of our people throughout the hemisphere. Health has improved and PAHO has played an important part in making our children's lives better. And, as always, success generates new hope and, in turn, new expectations for a better life.

This year IICA is celebrating its 60th anniversary, and in January, I took office as its ninth Director General. My first task was to reposition IICA in the context of the 21st Century and formulate a new vision that promotes sustainable agricultural development, food security and prosperity for 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 marginal poor 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.

Today, I would like to share with you some of our dreams that we have begun to share as sister organizations for the Americas.

Common Goals

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



Partnership is listed as the last of the eight Millennium Development Goals; a clear recognition 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 we each 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. In Latin America and the Caribbean I am convinced that through greater hemispheric solidarity we can surpass the Millennium Development Goals in all of our nations.


Working together through partnership requires the initial step of wanting to do it. After that, we need new technology, new methods of intervention, and new ways of thinking. IICA is transforming itself inside and out to be a more effective partner with other international institutions and also with Member States. Internally, in addition to new systems for greater administrative efficiency and technical performance, we have been working hard to get Member States to work more closely together; to use IICA as a multilateral forum for dialogue, training and information on pressing rural and agricultural issues. Multilateral institutions have multiple stakeholders and part of our responsibility is to develop stakeholders' capacity for greater voice and advocacy in our decision-making processes. Equally important is that they possess the capabilities to work together amongst themselves and through the Institute. We have made strides with some important stakeholders; with others we are still searching to identify the best way for them to develop their potential.

One example that IICA has been promoting and continues to resonate in the international community is the Inter-Agency Working Group on Rural Development. For me it illustrates four key considerations for the development of effective partnerships that are adapted from the writings of Dr. Jeffrey Sachs: the importance of considering scale, science, specificity and selectivity. I would like to address these four "S's" through our reflections on this unique and promising international Inter-Agency experience.

History of Inter-Agency Working Group

The group is composed of IICA, FAO, IFAD, ECLAC, GTZ and IDB and was created at the IDB Annual Meeting in New Orleans held in March 2000. The Inter-Agency Group is an informal working group to share information and implement joint projects among the agencies. The World Bank joined the Inter-Agency Working Group on Rural Development, at the Annual Meeting of the IDB Board of Governors held in Santiago, Chile, in March 2001. Later, the United States Agency for International Development (USAID) joined the Inter-Agency Group at the next Annual Meeting of the IDB Board of Governors that was held in Fortaleza, Brazil, in March 2002. Prospective members include the British governmental development agency, DFID, and AECI, Spain's governmental development agency. We would also like to see PAHO as a participating member in the near future.

The need for partnership to face the issues of rural poverty and more effectively develop policy reforms was recognized by all members of the Group. In its Charter Agreement, the Group emphasizes that "rural poverty reinforces the need to move forward in building a new regional consensus on how to improve policy orientations...and there is a consensus in the Latin American



and Caribbean region that efforts for rural development should have a broad-based, all-embracing, multisector approach.” The Group’s central purpose is “to facilitate the sharing of information and working experience and to carry out joint activities at the regional, subregional and national levels to increase the efficiency and effectiveness of the services provided to the countries of the region.”

Inter-agency activities have been underway since the signing of the Charter Agreement in New Orleans. The commitment to partnership is evidenced by the biannual meetings of institutional representatives spread from Rome to Washington to Costa Rica. The group has engaged in sharing information and best practice through the promotion of technical fora strategically placed in the regular meetings of the Board of Governors of the IDB and the Inter-American Board of Agriculture. These spaces serve to promote new concepts in rural development and to forge new policy challenges with key policymakers from all our Member States. At the same time, bilateral arrangements between members of the group have been forged for joint initiatives including policy research, policy skills training and, more slowly, joint project implementation initiatives.

Lessons Learned

What have we been able to learn so far about partnership from the experience of the Inter-Agency Working Group on Rural Development? First of all, genuine dialogue is paramount to build trust. The Group is based on an open systems approach: information is shared in the collective construction of the Group’s agenda, in developing ideas and concept papers regarding key actions. When new partnerships are being formed, it is mostly the attitudes of the individuals participating in it that determine

whether the partnership develops. Institutions are made up of people and this cannot be overlooked. Dialogue must occur with the right people in the right place at the right time with the right attitude and the right skills. Listening is an important part of any successful partnership to understand the position of each stakeholder, acknowledging the legitimacy and relevance of their interests and concerns. In our Group we listen.

At the same time the Group has sought to practice the concept of subsidiarity in its actions. That is to assume the kinds of activities that correspond to the scale and scope of the partnership. The Group never undertakes any action that could best be done by someone else or by one of its members alone. It seeks actions that can benefit all its members and our Member States throughout the hemisphere with new ideas for more effective development policy. As the partnership has begun, activities with limited budgets have been undertaken to establish appropriate protocols. Research on poverty assessments from a multidimensional perspective, the documentation of successful cases in rural municipal development and training on poverty reduction policy have filled important needs for information to suggest further avenues of exploration. The results of these initiatives generate recommendations for innovation in our project cycles and policy processes. In our Group we innovate to replicate.

The Group seeks to mobilize the best science available. The research methodologies all include open, inclusive and consultative processes with key organizations in our Member States: public agencies, private entities and civil society. In policy fora, we have brought together the best and the brightest in technical areas crucial to rural development. National policymakers throughout the continent have the opportunity to hear of pioneering experiences, new policy regimes and alternative invest-



ment strategies to enrich the opportunities for progress. In our Group we share knowledge.

The activities undertaken clearly recognize the specificity of conditions on the ground. We build on actions that are underway and partner with one another when possible. Our approach to joint action is incremental. That is start small and build on success. And start where other stakeholders need the most insight, taking into account diversity and identifying common needs. At the same time we never lose sight of the fact that each of our institutions needs to project rural development better inside their own organizations. We support Member States in understanding the intricacies of the new challenges of our time for better food, better health, environmental stewardship and greater opportunity for all. Our collective understanding of these challenges provides new hope for achieving the Millennium Development Goals. In our Group we do challenge ourselves and our Member States.

Lastly, the Group has been very selective about what it undertakes. Paradigm building for a new consensus on concepts, trends and method for greater effectiveness and impact is what we seek. Concretely, we want to convert the project cycle into a learning cycle built upon listening, piloting, demonstrating and mainstreaming. Here, the donor's cycle must coincide with the Member State's cycle to build in ownership based on a more long-term joint vision of the process. The Working Group seeks to partner with Member States interested in piloting new ideas and demonstrating new policy instruments. In our Group we learn how to work together, better.

Future Challenges for Partnerships Among International Organizations

Let me end by saying that our experience in the Inter-Agency Working Group on Rural Development raises important challenges for effective partnerships so that they lead to improving development effectiveness and sustainability. Each member institution is required to recognize its own competencies and identify its areas of influence. And each one must recognize the competencies and areas of influence of its partners. This is especially crucial as concerted action is undertaken together with Member States. Listening better to their needs and concerns, and translating these into more effective programs, is the challenge for sustainable development.

Group members have to recognize that development is a complex, multifaceted process. No one institution can carry out its mandate effectively without significant collaboration with others. Complexity requires simplifying things into workable parts with appropriate protocols. All processes require sustained and determined action over time to ensure that learning does take place, and that change progressively creates new opportunities available to everyone. Development is nothing less than possibility.

The international arrangements at the national level are still too often not coordinated for multinational multifaceted action. Improved joint action among international institutions and governmental agencies that more effectively address the multiple needs of a diverse rural sector demands more than partnerships.



New institutional architectures must be explored, including the idea of rural development ministries that promote partnership and more holistic approaches. Partnership challenges us to think outside of our own institutional box.

We can never lose sight that the fundamental basis for our cooperation must always be our clients and their needs. If we begin with this as the basis of our cooperation, then we can advance in arriving at a coalition of efforts to contribute to the development of our economies. This is the time of the partnership challenge, the time to act and the time to win the war on poverty. We can do it and we will do it. together.

Thank you.



In Support of Sustainable Agriculture: Links with Tourism and the Environment

St. Lucia. December 11

It is an honour 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 among 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 among agriculture, rural tourism and environment, as well as the challenges and opportunities.
- I will conclude with thoughts on fostering cooperation for the sustainable development of agriculture and rural life.

Part One: 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 promoting 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 governability. 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 proposal is based on the conviction that what is agricultural cannot be separated from what is rural. Accordingly, we propose a broader concept of agriculture that includes management of agri-food systems and of rural spaces. We also advocate a 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 complementarities among agriculture, rural spaces and tourism as an essential component of development strategies.

In sum, we view this expanded agricultural sector as a source of life, of our sustenance: water, food, medicine and energy. It is the source of employment and refuge for our families; it provides us with scenery that quenches our spiritual thirst and provides us with opportunities for recreation and adventure where 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 promising economic activities for sustainable agricultural and rural development if they are undertaken with respect for nature.*


Part Two: The vital links among agriculture, 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 ensuring 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 totalled US\$462 billion. Europe benefited from half of this; 26% was generated in the Americas. Expected growth is also impressive. In 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, and the tourism sector is a major engine of economic growth for most, if not all of our Caribbean territories. In 1998, the sector provided 2.9 million jobs in the region, generated US \$32.5 billion in economic activity, and was responsible for 31% of the region's GDP. By the year 2010, it is expected to produce US \$ 77.5 billion dollars in economic activity.

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 that its real contribution to



national development and the well-being of the population is recognized. Accordingly, more weight must be given to agriculture in 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). In this context, it is also important for most of our rural areas to note that over 50% of medicines are based on those derived from the natural environment. This underscores not only the very fragile and critical relationship between agriculture and the environment, but also highlights the vast potential that exists for herbal tourism, and the development of ethno-botanic medicinal, cosmetic and gift products for the tourism sector.

However, this important wealth of resources is overshadowed 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). Unsustainable production activities and consumption of resources for agriculture and tourism have been recognized as the principal causes of these environmental problems, which were directly addressed in the deliberations and agreements reached recently in the World Summit on Sustainable Development.

It is clear that we have a great challenge before us. We must undertake 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 become aware of this situation and urgently adopt new and sustainable forms of production of goods and services.

For its part, tourism opens up several areas for linkages with agriculture and rural life. The first concerns agriculture 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, supplement their incomes and become an important source of rural employment. With each passing day, the number of farms offering lodging and services for tourists to view production processes first hand, and to enjoy the natural setting and the unique qualities of the countryside and its inhabitants, have grown. Some examples of what can be attained by tapping the relationship between agriculture and tourism are the Cafe Britt coffee tour and the Butterfly Farm in Costa Rica; herbal and eco-tourism tours in Belize, Guyana, Suriname and Jamaica; community tourism in Jamaica and St. Lucia; and organic farm-stay tourism in Dominica.

The second area for linkages concerns the development of new products and destinations for the tourism industry, where scenic beauty and archaeological, cultural and historical attractions diversify the tourism supply to include ecological tourism (or ecotourism), rural and agricultural tourism, adventure tourism and even scientific tourism, taking into account the international scientific community's interest in the immense biological diversity of our countries.



In Costa Rica, the tourist industry promotes trips to organic agriculture farms, to industrial plants that produce paper from the waste of banana production, and to development complexes that combine sustainable agricultural farming with conservation and recreational areas. These variations of so-called ecotourism are very successfully promoted in that country and can be considered for future actions of cooperation.

These new options for the rural milieu give rise to frequent questions of how to develop this type of economic activity. The international community that specializes in the topic of ecotourism met, in May 2002, at the World Ecotourism Summit. In the Quebec Declaration on Ecotourism, participants from 132 countries affirmed that "... different forms of tourism, especially ecotourism, if managed in 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."

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" diseases in Great Britain, where it is estimated that the contraction in the demand for tourism services in the English countryside was greater than the cost of sacrificing the animals and the losses of 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 the WTO Agreement on Sanitary and Phytosanitary Measures requires this, nor merely to meet the quality and food safety standards of importing countries, but because it is necessary for the tourism industry. Quite simply, natural and prepared foods must meet high quality and safety requirements. Food production for consumption by tourists in any country should be treated as exports within the national territory and, therefore, meet the same quality requirements. In addition, as we develop farm visits and tours, attention to Good Agricultural Practices, standardization of procedures for safe and healthy visits, and certification of facilities, will increasingly play a critical role in our compliance with WTO and SPS requirements.

Allow me to underscore the important challenge of formulating appropriate public policies for the sustainable development of agriculture, for the development of tourism, for strengthening the linkages between these sectors, and for strengthening the 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 policies the traditional way, as if it were possible to compartmentalize them. In reality, they are part of a complex setting and we must start formulating multi-objective policies with a more holistic vision.

In recognition of the complementarities among agriculture, rural spaces and tourism, and the need for the development of intersectoral linkages as an essential component of development strategies, the IICA Office in Barbados has been given a very special mandate to establish an Agro Tourism Linkages Centre. The Mission of the Centre is to support and promote the development of linkages between the agricultural sector and tourism by facili-



tating the sale of indigenous fresh and processed foods and non-food agro-industrial products to the hotel, gift, restaurant and food service sectors, as well as through the development of agro-tourism projects which maximize the commercial potential of farm sites, the ecological and ethno-botanic biodiversity of the rural areas, the culture and heritage of traditional cuisine, and the artisanal talents of communities, with an emphasis on the integration of rural communities so as to achieve sustainable agriculture, sustainable tourism and, ultimately, sustainable rural development.

The development and implementation of Agro-Tourism Linkage projects will be integrally linked with the six strategic areas of IICA's Technical Cooperation Agenda. For example, in the area of Policy, Trade and Agribusiness, we will be improving the information base on available producers and buyers, as well as identifying financing and investment options for agro-tourism projects. The development of policy guidelines on the protection of biodiversity and the identification of opportunities for south-south trade in organic and medicinal products will also play a major role in the herbal and health tourism.

In the area of Agricultural Health and Food Safety (AHFS), it is important to note that food safety and hygiene have been singled out as major determinants of visitor satisfaction for many Caribbean destinations (Tourism Research Associates, 1999). IICA's programmes for Agricultural Health and Food Safety, which include the formation of National Agencies, training and education in GAPs, application of CAREC/PAHO QTC (Quality Tourism for the Caribbean) standards, implementation of HACCP systems for agro-processing, and training of extension officers and inspectors, will all contribute to the sustainability of the agricultural and tourism sectors.

Technology and innovation initiatives will include the adoption of technologies for producing goods and services which can be traded between the sectors. This will include, for example, technologies for curing sheep and goat skins and processing them into artisanal products, and the development of ethno-botanic cosmetic and medicinal products from agricultural materials.

In short, agro-tourism provides a system of enterprise which can transform agriculture by introducing into our traditional agricultural production areas and other non-traditional operations a form of tourism, entertainment, hospitality or related downstream industrial activity that can become a successful enterprise.

Part Three: Fostering cooperation for the sustainable development of agriculture and rural life

At the world level, the Heads of State and Government have repeatedly expressed their concern for and a determination to bring about sustainable development in such a way that the different production activities, especially agriculture and tourism, foster and ensure such development. In the Americas, the ministers of agriculture, in compliance with the mandates of the Third Summit, adopted the "Declaration of Bavaro for the Improvement of Agriculture and Rural Life in the Americas." In it, they recognize 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.

I believe it is fitting to work to ensure greater recognition for agriculture and rural development in the decisions contained in



the Plan of Action. I also believe that all of us agree on the objectives that must be met through development, and that agriculture and tourism can contribute to achieving those objectives. Let us go one step further and include agriculture and tourism on the cooperation agenda of the Alliance. With your political determination and that of your respective governments, we can make a difference at this area.

So, let us take this ministerial meeting as an opportunity to promote and coordinate horizontal and multilateral cooperation 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 sector.

Allow me to suggest that during these two days, and thereafter, 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;

and iii) implementation of arrangements for certifying the 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 centres.

Distinguished ministers: I hope these ideas will stimulate our discussion on ways to incorporate agriculture and rural life into cooperation programs so that we may move from declarations to specific actions for the well-being of the rural populations in our countries.

Thank you very much for your attention.



Address of the Director General of the Inter-American Institute for Cooperation on Agriculture, Dr. Chelston W.D. Brathwaite at the IICA Awards Ceremony in Saint Lucia

St. Lucia. December 11

Mr. Chairman, Dr. Arlington Chesney, Hon. Calixte George, Minister of Agriculture, Santa Lucia, Hon. Anthony Wood, Minister of Agriculture and Rural Development, Barbados and Chairman, Board of Governors of CARDI other Ministers of the Eastern Caribbean States, Members of the Diplomatic Corps, Representatives of International and Hemispheric Organizations, Dr. Keith Archibald, Chairman, Board of Governors of CARDI, Mr. George Goodwin, Secretary General, Secretariat, East Caribbean States, Professor Nazeer Ahmad and other awardees, distinguished ladies and gentlemen, members of the media, Dr. Barbara Graham, IICA Representative, Eastern Caribbean States, other Representatives and staff of IICA, good night.

Tonight is a special night for IICA and agriculture in the Eastern Caribbean and indeed the wider Caribbean. It comes after two days of intense and concentrated work by the Ministers of Agriculture of the Eastern Caribbean and representatives of the stakeholders involved in the repositioning of agriculture and the enhancement of rural life. Together, they have been developing a pragmatic set of actions towards ensuring in the short and medium term the sustainable development of agriculture in the Eastern Caribbean. Tonight, we applaud them. However, we will also witness two other important functions. Firstly, the signing of a three year Agreement between CARDI and IICA. Secondly, the granting of awards to persons whose outstanding performance has made themselves, their country of birth and the Caribbean proud.

IICA has been supporting the development of technology in the Caribbean through CARDI for the last 12 years. From the onset,



IICA recognized that appropriate, pragmatic, results oriented agricultural research is a critical component of facilitating the development of agriculture that is sustainable and industries and enterprises that are competitive and economically viable. Today, with the increasing importance of globalization and trade liberalization and the concomitant intensive competition for economic space in all markets, including our own national and regional markets, the recognition of the need for meaningful research is even greater. However, this research must now be evermore focused, must be very meaningful in both the short and medium term for economic users; must exhibit a direct linkage to the entire Agro-product chain; must be forward thinking in the context of the new and dynamic growth of technological scope, information availability, informatics and procedures and guidelines for natural resource management. In order words, it is mandatory that this research be "cutting edge" and "value adding". For this "new" research to be prudently, efficiently and successfully implemented, visionary but pragmatic leadership is required.

This new CARDI/IICA Agreement, to which IICA is contributing in excess of half million EC dollars per year, aims to ensure that this new leadership is in place to oversee the conduct of appropriate, meaningful/and result oriented research.


I said earlier that IICA has supported CARDI through this joint Agreement since 1990. However, this has not been our only mechanism of support. We facilitated by logistic and financial means the work of the Roach. Review Team in 1999/2000. Again in 2001, we actively supported the work of the Small Independent Team, headed by my predecessor, Carlos Aquino. It is the recommendations of these two teams that provided the basis of the recent statement by the Conference of Heads of Government, endorsing the importance of CARDI.

I recognize that IICA's contribution by itself cannot ensure that CARDI achieves all that is required of it in this "new" dispensation. I therefore applaud the work that has been done by the Conference of Heads of Government and the Ministers of Agriculture to ensure the CARDI remains recognized as a critically important regional institution that could support the development of Caribbean agriculture. I pledge IICA's support to work with the Ministers, directors, management and staff of CARDI for continued positive growth and enhanced recognition.

I now turn to the Awards Ceremony. The Chairman has already told you what these awards represent. I therefore wish briefly to emphasize the importance of these presentations. I strongly believe that we who toil in the area of agriculture and rural development, must promote the work that we do. Further, we must highlight the importance of such work not only to agriculture but also to the economy as a whole. In this regard, it must be pelucidly clear to all of us in the Caribbean that bananas were not only important to the banana farmer and WIBDECO but to the entire social and economic fabric of the banana growing countries. This reality gives absolute testament to the fact that the contribution of agriculture to the GDP of our countries, as currently measured, is grossly underestimately. It is easily 2 to 2.5 times the stated amount.

Consequently, we must give recognition to our colleagues. This recognition must serve as a beacon for those persons in the wider economy to provide similar or even greater plaudits to agriculture and rural development.

Mr. Chairman, I am aware that I said earlier that I would not speak about the Awardees. However, I would be failing if I did not say a word on Prof. Nazeer Aamad. Prof. Ahmad's award is the high-



est that anyone involved in the pursuit of agriculture, in all 34-member countries of IICA, in North, Central and South America and the Caribbean can obtain. I consider it to be a most rewarding accolade and befitting of a researcher, a teacher, a scholar and, most importantly, a good human being, who has excelled in his field of choice, Soil Science. There are many of us tonight who have benefited as students from his benevolence and open-mindedness. I ask you to join with me in showing our praise and thanks to him.

Mr. Chairman, ladies and gentlemen, thank you and good night!



Address to the Ministers of Agriculture of the Countries of the OECS

St. Lucia. December 11

I am indeed pleased to be back in beautiful St. Lucia and to have the opportunity to meet and greet so many friends and colleagues.

Just over one year ago, in Punta Cana, Dominican Republic, I accepted the responsibility of being the Director General of IICA. I would like to take this opportunity to publicly express my thanks to the governments and people of the Caribbean, who made this accomplishment possible. Today, one year later, our Institute has made great progress in our efforts to face the challenges of the 21st century and serve our Member States more effectively. This repositioning of our Institute has come at a time when there is renewed awareness of the role of agriculture in the economic development of our countries.

The World Bank recently unveiled its rural development strategy for the hemisphere, which seeks to promote broad-based economic growth by enhancing agricultural productivity, in order to contribute to the goal of halving poverty and hunger by 2015. The Inter-American Development Bank has also pioneered a rebirth of new financing for the rural sector.

We in IICA are convinced, however, that these initiatives will not have the desired impact on agricultural development in our hemisphere unless and until the true contribution of agriculture to overall economic development is recognized by national authorities.

A classic case of this was seen recently in El Salvador, where, according to official statistics, agriculture's contribution to GDP



was 12%. A subsequent 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.

Our vision recognizes that development of the agricultural and rural sectors in any nation today cannot be viewed only as an effort to help marginal poor 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.

For example, with regard to population growth vis-a-vis economic growth, recent statistics show that by 2025 the world population will grow to eight billion. This numerical increase will challenge agriculture and world food supplies as never before in the history of our planet. The impact of this increase will be compounded by rapid economic growth in key regions of the world, which will alter the world's eating habits and increase total food consumption. Much of this population increase is expected to take place in the cities of the developing world.


From the technological viewpoint, in the coming years, agricultural production and research systems will be increasingly challenged to keep abreast of changing dietary preferences and will have to utilize all the technologies, policies and management systems available to them to increase productivity and profits in the rural sector. It is encouraging that substantial developments over the past 20 years in biotechnology and genetic engineering offer us today new prospects for increased agricultural production and productivity.

Improved education, 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.

As a result of these changes, the following new trends are appearing for the countries of the Americas in the area of agribusiness:

- The proposed Free Trade Area of the Americas (FTAA) will create a hemispheric market of some 800 million people. This will create a rich opportunity for the Institute's Member States to learn and draw lessons from each other's diversified experiences in agricultural development.
- This new hemispheric market will provide unprecedented opportunities for trade in agricultural products, including the establishment of an inter-American agribusiness community, which will be the largest in the world at a time when our hemisphere is emerging not only as the fastest-growing subregion of the world, but also as the subregion with the greatest potential for future growth.
- A new consensus has formed in the Americas, which recognizes that the small economies of the hemisphere, now struggling with the twin challenges of eliminating poverty and promoting sustainable development, must be assisted in their efforts to integrate into the hemispheric and global economies.

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- A large proportion of the population of Latin America and the Caribbean are employed in agricultural production and associated activities and, in most countries, the export of agricultural products represents their most important source of foreign earnings.

Agriculture in the Americas in the 21st Century must be competitive. It must seek to produce value-added products, while being environmentally sustainable, and it must respond to the ever increasing demand for nutritional, processed convenience foods.

The effective participation of small- and medium-scale producers in the agrifood chain is an essential element of our pursuit to alleviate poverty and improve the lives of the people of the Americas. This requires development of a market model that strengthens the negotiating capacity of these producers so that they can compete in growing markets under equitable terms.

Market development implies promoting agribusiness, organizing small- and medium-scale producers, and linking agricultural activities more closely to prevailing conditions in national and international markets.

Projections of population growth and the shrinking of the agricultural frontier suggest that food production must grow through sustained increases in productivity, without neglecting the commitment to the environment, food safety and quality. This conjugation of elements is one of the greatest challenges currently facing agricultural entrepreneurs and policymakers.

One cannot discuss the expansion of agrifood markets without touching on trade liberalization and trade negotiations. In 2000, the WTO began negotiations on agriculture with a view to facili-

tating greater market access -especially for agricultural products originating in developing countries-, a substantial reduction in export subsidies, and more rigorous discipline in the use of domestic support measures for agriculture.

Discussions on matters relating to food security, as well as the effects of the reform process on the Least Developed Countries and Net Food-Importing Developing Countries should facilitate the application of effective measures, among them special and differential treatment that will really favour this important group of developing countries.

The new themes on the agricultural agenda -including export restrictions and credits, sale of state-owned companies, food safety and rural development issues- will produce new supranational guidelines in these fields.

The negotiations under way to create the FTAA, and the negotiations related to bilateral and regional free trade agreements have all incorporated agriculture into 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.

In the case of Latin America and the Caribbean, to date, the participation of the ministries of agriculture in international trade negotiations has been limited and insufficient.

In most cases, it has been more formal than real, despite the fact that they are in the best position to bring to the negotiating table the concerns of important, emerging stakeholders that will be directly affected by the application of any agreement signed.



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 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 increasingly 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 led to plant and animal pest disease control methods coming 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 in this area, 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.

The increased use of information and communications technologies is offering solutions to many of the challenges facing us today in the agricultural sector. This must be a priority for all governments. As globalization and market integration gather momentum, these new technologies are contributing to bringing about changes in and the responses to both the demand for and the supply of food.

The changes that have taken place in information and communications technologies in the last decade are giving rise to new opportunities for the agricultural sector. They are providing easy and immediate access to information on markets, business opportunities, consumer preferences and competitors around the globe. They are also facilitating advertising, promotion and the dissemination of information to both current and potential clients.

Only by modernizing information and communications 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, while improving rather than lowering 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, with serious consequences showing up 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 ministries of agriculture must be restructured to include closer



alliances and greater integration with other ministries, such as health, trade and foreign relations.

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 into animal and crop production, which might not otherwise become evident until the end of the chain.

In recent years, the size and budget of the ministries of agriculture in a number of countries in the hemisphere have been significantly reduced, 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. We cannot have a successful agricultural sector without Government support.

Governments must establish the terms for a new relationship with the private sector and non-governmental organizations as strategic partners in our quest to fulfill, in an integral and intersectoral manner, the many food safety and agricultural health responsibilities related to production, trade and the environment.

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.

For this and other reasons, we have recently signed an agreement with the Pan American Health Organization so that together we can tackle the twin problems facing health and agriculture in rural communities.

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, and 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 the standards of the WTO, Codex Alimentarius and the OIE.

New Technology and Innovation

Technological innovation in agriculture cannot be ignored when discussing food safety, improved markets and sustainable agriculture. It is generally accepted that growth accompanies the incorporation of technological advances into production process.



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 during the last four decades have been due to the use of improved seed varieties, modern technological inputs, and agronomic information. In many countries, substantial increases in agricultural productivity have been achieved for several commodities, including corn, wheat, potatoes, rice, beans, sunflower, and soybean.

The adoption of new technology has yielded significant economic benefits, as measured by the rates of return on investments in technological development in agriculture. 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 are developing important programs for improved technology.

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 emphasizes actions to strengthen national agricultural research systems, foster the exchange of technological information between countries, and promote greater cohesion between regional mechanisms for research cooperation.

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.

In conclusion, agriculture and agribusiness development are an integral part of the sustainable development of a country's economy and society. The modernization of agriculture is essential if countries want to have a bigger role in agricultural trade, and thus improve their economies. To do so, governments must facilitate access to technological innovation for production, capital investment and business initiatives.

Market access is a necessary complement of policies to liberalize trade and to enhance the competitiveness of agri-food chains. To this end, trade negotiations, clear rules of the game for boosting agri-food trade flows, and timely information for decision-making are necessary for effective market access.

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.

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 agribusi-

ness, be it in the Americas or anywhere else in the world. In summary, allow me to underscore three conclusions:

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

Concluding Remarks

The countries of the OECS are at a crossroads in their agricultural development. We begin today a process of redefining the role of agriculture in development, and we must invest appropriate resources in the sector for it to be competitive in the new world economy.

Thank you.

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