

**THE MARRAKESH DECISION AND FOOD SECURITY: CONTRIBUTION OF THE
INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)
IN LATIN AMERICA AND THE CARIBBEAN**

Submission by IICA

The following submission, dated 29 October 2010, is being circulated at the request of the Inter-American Institute for Cooperation on Agriculture (IICA).

1. The main objective of this document is to briefly review the impact of the world economic crisis on agriculture and food security in Latin America and the Caribbean, and to describe IICA's response to the crisis in its Member States.

I. IMPACT OF THE CRISIS ON LEAST DEVELOPED COUNTRIES AND NET FOOD IMPORTING DEVELOPING COUNTRIES (NFIDCs)

2. Impact on agricultural trade: After studying the impact of the crisis on Latin American countries (see *Crisis económica mundial y comercio agrícola: ganadores y perdedores* (IICA, 2010)), IICA determined that while the agricultural trade surplus of net agricultural exporting countries had grown by late 2008 (in comparison with 2006), NFIDCs not only saw a deepening of their agricultural trade deficit but also a significant decline in the purchasing power of their agricultural exports (in terms of agricultural imports) over the same period.

3. Impact on food availability and access conditions: The sudden increase in international prices of agricultural commodities had a greater impact on countries in which a high percentage of the domestic food supply depended on imports (NFIDCs). In these countries, the high international prices affected home markets more quickly and to a greater degree, thereby reducing people's purchasing power; the poorest members of the population were particularly hard hit, as a higher percentage of their income went into the purchase of food. In addition, increased poverty and unemployment rates created further problems for NFIDCs, making it even more difficult for them to meet their populations' minimum nutritional requirements.

4. In response to the crisis, the region's NFIDCs have resorted to short-term mechanisms which encourage food production, agricultural export basket diversification, revenue and foreign exchange generation, and market efficiency. Still pending, however, are long-term measures aimed at:

- (a) developing and implementing policies and strategies which strengthen small-scale agriculture's contribution to food security;
- (b) improving the production performance of small scale agriculture, thereby increasing agricultural supply (food availability); and

- (c) integrating small-scale producers in value chains, thereby improving food access conditions (more revenue and greater physical availability).

II. IICA's ROLE AND ITS RESPONSE TO THE CRISIS

5. In view of the challenges described, IICA made the matter a priority in its medium-term cooperation proposal, devised a strategy, and is helping less advantaged countries develop projects to obtain access to funding from multilateral banks and donor government programmes.

A. 2010-2014 MEDIUM-TERM PLAN

6. One of the *strategic objectives* of IICA's 2010-2014 Medium-Term Plan (MTP) is to *improve agriculture's contribution to food security*.

7. This objective recognizes the dual role played by agriculture in food security, which is to ensure a sufficient supply of quality food (availability and use) and to create conditions that allow people in rural areas to have access to food (employment and income). Small-scale agriculture is engaged in this twofold endeavour and, if it is supported by effective public policies and efficient investment in public goods, its contribution to agricultural supply can be enhanced through better production performance and integration in value chains; it can also improve its own conditions of employment and income if its efforts are properly recognized by the markets.

8. The programmes with a technical focus selected for IICA implementation in the period 2010-2014 reflect the Institute's priority issues. These issues, which are established in the IICA Convention and confirmed by subsequent intergovernmental and interministerial decisions, must be taken into account to ensure competitive and sustainable agricultural production and rural well-being. These programmes are described below.

- (a) *Innovation for productivity and competitiveness*: Aimed at increasing and expanding agricultural innovation to increase productivity, competitiveness and trade, thereby supporting food security and development in member countries.
- (b) *Agricultural health and food safety*: Particularly focused on the development of up to date and harmonized regulations and policy instruments; the modernization of national services; the implementation of hemispheric and regional mechanisms for cooperation and information relating to the issue; adoption of international standards in member countries; and the establishment of public private partnership mechanisms within the framework of cooperation with specialized international agencies.
- (c) *Agribusiness and marketing*: Aimed at the development of policies and institutional frameworks and capacity building to create supportive agribusiness environments; the development of a new mentality and capacity building among producers by strengthening individual and collective capacities to supply and successfully compete in the markets.
- (d) *Agriculture, territories and rural well-being*: Aimed at the development of instruments for assessing the actual contribution of agriculture in rural areas; the establishment of intersectoral relationships between public policies and instruments having a territorial impact, with a view to optimizing agriculture's contribution to the development of rural areas, and thereby maximizing the social benefits deriving from productive agricultural activity.

9. In addition to the above programmes, two cross-sectoral coordination programmes have been established for the 2010-2014 MTP. These programmes will address the following IICA priority issues: (i) natural resources and climate change; and (ii) food security.

B. FOOD SECURITY STRATEGY

10. To support its Member States, IICA has developed a strategy which seeks to further the development of policies and capacities which improve production, productivity, value adding processes and market access for small-scale agriculture as a means of contributing to food security. To achieve this goal, IICA has identified critical factors in Latin American and Caribbean member countries and is focusing its cooperation on three lines of action corresponding to these critical factors.

(a) Strategic Line of Action - Institutional Innovation for a New Paradigm of Technological Change for Food Production and Diversification

Critical Factors (CF) and Areas of Institutional Intervention
<p>Common Critical Factor 1 Public and private institutions are too weak and fragmented to guide technological research and innovation and provide extension services commensurate with the actual demands of small and medium-scale agriculture.</p>
<p>CF1 Area of Intervention</p> <ul style="list-style-type: none"> • Development and strengthening of national and local innovation systems. • Human capital development to support the new focus on management and development of technology and innovation. • Institutional innovation in rural extension: knowledge management focused on knowledge exchange.
<p>Common Critical Factor 2 Limited investment in R&D for technological innovation and insufficient local capacity for small and medium-scale agriculture to minimize environmental degradation processes or mitigate and adapt to climate change so as to increase productivity, stability and diversification in the agrifood sector.</p>
<p>CF2 Area of Intervention</p> <ul style="list-style-type: none"> • Promotion and development of methods for regional research networks to focus on adapting agriculture to climate change. • Development of a new technology agenda to add value to domestic and traditional products. • Building awareness and management of policies and instruments. • Human capital development based on the new focus and knowledge.

(b) Strategic Line of Action - Institutional Framework and Services in Support of Market Access

Critical Factors (CF) and Areas of Institutional Intervention
<p>Common Critical Factor 3 Low degree of association among the players involved in small and medium-scale agriculture, which prevents the creation of economies of scale and the improvement of business management.</p>
<p>CF3 Area of Intervention</p> <ul style="list-style-type: none"> • Strengthening of regional and national associative mechanisms to increase market integration. • Participation in the development of policy instruments which facilitate the integration of small and medium-scale producers in value chains. • Human capital development based on the new focus.

Critical Factors (CF) and Areas of
Institutional Intervention

Common Critical Factor 4

Lack of marketing instruments and services providing links between small and medium-scale producers and the markets.

CF 4 Area of Intervention

- Establishment of inclusive marketing mechanisms and/or systems for small and medium-scale agriculture (such as contract agriculture, commodity exchanges, agricultural trade fairs, source markets, and campaigns to promote consumption, for example).
- Identification and description of the need for marketing support services in prioritized chains to facilitate market integration of small and medium-scale farmers and improve their business management.
- Dissemination of good marketing practices.
- Human capital development based on the new focus.

(c) Strategic Line of Action - Analysis, Monitoring and Dissemination of Policies and Information on the Status of and Prospects for Food and Nutritional Security

Critical Factors (CF) and Areas of
Institutional Intervention

Common Critical Factor 5

Limited capacity for management of food and nutritional security policies and related instruments, and little intersectoral coordination, which impedes the territorial implementation of such policies.

CF5 Area of Intervention

- Promotion of dialogue and intersectoral and inter-agency roundtables on food security which contribute to policy development, policy impact assessment and the creation of instruments for policy implementation; this is to take into account:
 - identification, description, structuring and management of knowledge pertaining to successful experiences with policies and instruments;
 - regional human capital development to enhance citizen participation in policy development.

Common Critical Factor 6

Weak information management mechanisms which prevent both monitoring of food security policies aimed at small and medium-scale agriculture and better inter-institutional coordination.

CF6 Area of Intervention

- Establishment and/or strengthening of information platforms for the monitoring of food security policies.
- Analysis and dissemination of information for decision-making.

C. SUPPORT FOR MEMBER STATES IN OBTAINING ACCESS TO AND INVESTING INTERNATIONAL COOPERATION FUNDING FOR INVESTMENT IN AGRICULTURE AND FOOD SECURITY

11. The World Bank Global Agriculture and Food Security Program (GAFSP) is a multilateral mechanism which was created to help countries and regions with limited resources to finance their strategic plans for investment in agriculture and food security.

12. Feed the Future (FTF) is a United States Government initiative in response to the call by world leaders at the L'Aquila summit for investment to reduce world hunger and poverty. In less than three years, the initial US\$3.5 billion donated by the United States has helped this programme leverage a total of US\$5 billion from other donors in support of a common approach to achieve global food security. This initiative supports the processes whereby countries develop and implement food security strategies and investment plans which reflect their needs, priorities, and development strategies. These plans help to mobilize resources and coordinate actions to achieve the Millennium Development Goal of cutting extreme poverty and hunger in half by 2015.

13. To improve access by Member States to these initiatives for investment in agriculture and food security, IICA undertakes to:

- (a) Compile and circulate information to all Member States on the experiences of and lessons learnt by countries which have already submitted funding applications to both GAFSP and FTF (such as Nicaragua, Honduras and Haiti¹);
- (b) assist eligible countries in prioritizing their investment needs and in creating investment plans for agriculture and food security together with all the sectors and organizations involved.

14. Aware that the proliferation of international cooperation initiatives has led to the dissipation of efforts, and conscious of the absence of proper accounting of expenditures and evaluation of products and impacts, IICA has agreed to:

- (a) Concentrate and focus actions to make more efficient use of its resources and capacities;
- (b) favour joint and multidisciplinary action in the institutional sphere;
- (c) direct administrative, financial and support systems toward technical cooperation;
- (d) foster alliances with key strategic partners in order to develop complementary relationships and avoid duplication and wasting of resources and efforts; and
- (e) concentrate on policies and institutions and on networks and organizations (as opposed to individual farmers) so as to increase the multiplier effects of IICA action.

15. For more information, please visit IICA's institutional website at <http://www.iica.int/>.

¹ The Government of Haiti chose IICA to coordinate all agricultural aid and cooperation for the country after the Haitian earthquake of early 2010.

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