

**Reflections on the future  
of agriculture and cooperation:**  
*On the road to 2015*

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# IICA

## *A partner institution in the Summit of the Americas process*

### SIXTIETH ANNIVERSARY OF THE INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)

THE PERMANENT COUNCIL OF THE ORGANIZATION OF AMERICAN STATES,

REMEMBERING that in 1942, 21 American Republics on the Governing Board of the Pan American Union met in Washington, D.C. and created the Inter-American Institute of Agricultural Sciences, later renamed the Inter-American Institute for Cooperation on Agriculture (IICA);

TAKING INTO ACCOUNT the evolution of IICA from its beginnings as an institute for tropical agriculture, agricultural research and education located in Costa Rica to become the specialized organization for agriculture and rural development of the inter-American system, with offices in all 34 Member States;

RECOGNIZING that IICA has played a key role in the processes to modernize agriculture and improve life in rural areas in the countries of the hemisphere and that it continues to play a crucial role in efforts to eliminate extreme poverty;

CONSIDERING that the Thirtieth General Assembly of the OAS approved Resolution 1728, in which it recognizes IICA's governing body (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, and expands the mandate of the Institute to take action within the context of the Summit of the Americas process; and

RECOGNIZING ALSO that IICA, in the Declaration of Quebec City, has been designated by the heads of state and government as a partner institution of the Summit of the Americas process,

AGREES:

1. To pay tribute to the Inter-American Institute for Cooperation on Agriculture on the occasion of its sixtieth anniversary.
2. To exhort the Inter-American Institute for Cooperation on Agriculture to continue working with the countries of the hemisphere in support of their efforts to implement the mandates of the Summits of the Americas, as a development agency that promotes prosperity in rural communities, food security and the sustainable development of agriculture.

CP/RES.826(1338/02)  
25 September 2002



*“As Chair of the Inter-American Board of Agriculture (IABA), the primary ministerial forum for analyzing and building consensus on policies and strategic priorities for the improvement of agriculture and rural life in the Americas, I am pleased to be a part of this commemoration, during which we will address issues that are of fundamental importance for the future of agriculture and IICA.”*

Eligio Jáquez  
Secretary of State for Agriculture  
Dominican Republic  
President of the Inter-American Board of Agriculture (IABA)

## *Contributions*

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Organization of American States (OAS)

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Director General  
Inter-American Institute for Cooperation on Agriculture  
(IICA)

**Eligio Jáquez**

Secretary of State for Agriculture of the Dominican Republic  
President of the Inter-American Board of Agriculture (IABA)

**Lineth Saborío**

First Vice President of the Republic of Costa Rica

**J. B. Penn**

Undersecretary  
Farm and Foreign Agricultural Services  
United States Department of Agriculture

**Cedric Roy Liburd**

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Inter-American Institute for Cooperation on Agriculture  
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## *IICA's 60th anniversary: An opportunity to reflect on the future of agriculture and cooperation*

We decided to commemorate the 60th anniversary of the founding of the Institute by inviting leaders of agriculture to discuss the future of agriculture and cooperation in relation to the Millennium Development Goals set for 2015.

At this special moment in the life of the Institute and for the future of agriculture in the Americas, we sought to combine a deserved tribute to the vision of the founders of IICA with our commitment to the prosperity of rural communities in the Americas.

We wish to thank the authorities of the Government of Costa Rica, the members of the diplomatic corps and the representatives of international organizations who took part in the ceremony held to commemorate our anniversary; the distinguished guests who spoke on "Agriculture and cooperation: evolution through 2015"; and the ministers of agriculture and other agricultural leaders who took part in the panel discussion entitled "Reflections on the future of agriculture in the Americas and the strategic role of international development cooperation agencies."

This document is based on a summary presented by the Technical Coordinator of the event, at the closing session. It includes a selection of the most important elements of the contributions made during this activity, which have been grouped by theme, primarily: recognition of the commitments associated with the improvement of agriculture and rural life and the additional challenges this poses; descriptions of the current situation; and identification of the elements needed to shape the vision for agriculture in 2015. The participants also discussed the construction of a renewed institutional framework for agriculture and the urgent need for new forms of cooperation, best summed up by the phrase "working together."

The participants' comments shed light on the agriculture of the future and its potential contribution to the attainment of the international development goals set for the year 2015. Unquestionably, agriculture has a key role to play in these efforts.

Mindful of the fact that improving agriculture and the prosperity of rural communities in the Americas is an ongoing

process, they also stated their intention of continuing the hemispheric dialogue and the development of concrete solutions. The Ministerial Meetings on Agriculture and Rural Life, initiated in November 2001 as part of the Summit of the Americas process, are important stepping stones on the road to achieving the goals for 2005 and 2015.

We present this publication to the leaders of agriculture and rural life, as preparations get under way for the Second Ministerial Meeting on Agriculture and Rural Life, scheduled to be held in November 2003, in the Republic of Panama.

**Chelston W.D. Brathwaite**  
Director General of IICA

*“I reiterate my most sincere congratulations to IICA on its 60th anniversary and renew our commitment to building together a new alliance for agriculture to improve the well-being and development of our peoples.”*

Salvador Urrutia Loucel  
Minister of Agriculture and Livestock  
El Salvador

*“I must also congratulate Dr. Brathwaite for affording us this opportunity to continue to fuel the Latin American debate on the issue that the region has yet to resolve: its own position and its own agenda regarding globalization.”*

Horst Grebe  
Adviser to the President  
Andean Development Corporation (CAF)

*“The principal result of this day of reflection is that we are becoming motivated and strengthened by a pragmatic optimism on the future of agriculture and rural life. From agriculture, we must and we can contribute substantially to achieving the millennium development objectives. This will require major changes in strategies and policies but, above all, in our way of thinking and acting in all matters related to agriculture and rural life: we need a new culture for agriculture...a new agri-culture.”*

P. Lizardo de las Casas  
Technical Coordinator of the event  
IICA

# *A commitment to the improvement of agriculture and rural life in the Americas*

## **The international community and the Millennium Development Goals**

In the 1990s, the international community, responding to shared concerns regarding the level of development achieved and the challenges for the future, reached agreement on a series of development goals at several international conferences. In the year 2000, world leaders synthesized these commitments in eight Millennium Development Goals (MDGs), 18 targets and more than 40 indicators.

### **Millennium Development Goals**

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote equality between the sexes and the autonomy of women
4. Reduce infant mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Guarantee environmental sustainability
8. Strengthen a global alliance for development

Millennium Summit  
United Nations General Assembly  
September 2000



*“Actually, leading world policymakers have decided to invest and to act. At the dawn of the 21st century, in September 2000, the member states of the United Nations endorsed eight*

*M i l l e n n i u m Development Goals. These goals seem to be the driving force behind what is also happening in this region: setting clear targets to overcome what can be considered the most critical paradox facing the world today: the persistence of widespread poverty in a global economy that produces output of more than US\$30,000 billion a year.”*

*“... progress on these goals, in turn, can advance agriculture and rural development in important ways. The leaders of the region have committed themselves to the MDGs. The rural and agricultural policy and research communities can and must contribute to reaching the goals.”*

Joachim von Braun  
Director General  
IFPRI

In relation to the Millennium Development Goals, agriculture has assumed considerable importance at recent international events, such as the World Food Summit +5 and the World Sustainable Development Summit, Rio +10. At these events, the Heads of State and other development leaders underscored agriculture's contribution to the attainment of the millennium goals and targets.

Without a doubt, the vision of society in 2015 that underlies these important objectives for global well-being and security, and more specifically the goals set for 2015, commits all the stakeholders in development, both individuals and organizations.

*“That is why you, ladies and gentleman, are put to task; why we in our profession are put to task. We can help and we must help, through appropriate food and agricultural policies, to meet the Millennium Goals: cut poverty in half, improve the sustainability of natural resource management (also with a set of clear fixed targets and monitored variables) and the other more social goals, which relate very closely to improving rural development.”*

Joachim von Braun  
Director General  
IFPRI

In the Americas, in the Declaration of Quebec City and the Plan of Action of the Third Summit, the Heads of State and Government endorsed the scope and substance of the Millennium Development Goals and the contribution that agriculture is called on to make to these objectives.

## Declaration of Quebec City

We, the democratically elected Heads of State and Government of the Americas, have met in Quebec City at our Third Summit, to renew our commitment to hemispheric integration and national and collective responsibility for improving the economic well-being and security of our people...

- 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-business as an essential contribution to poverty reduction and integral development.

Third Summit of the Americas, April 2001

## Recognition of agriculture in the Summits of the Americas process

In 2001, agriculture was recognized explicitly in the Summits process.

The initiative spearheaded by IICA to include agriculture in Summit discussions received strong support from the countries.

Presidents, Heads of Government, ministers of agriculture, national delegations to the OAS, regional integration bodies and a number of other important individuals and civil society organizations made contributions and decisions that finally led the Heads of State and Government, at their Third Summit, held in Quebec City in April 2001, to recognize the importance of agriculture.

To strengthen democracy, create prosperity and realize human potential, our Governments, ...

Recognizing the fundamental importance of agriculture as a way of life for millions of rural families of the Hemisphere, as well as the role it plays in the creation of prosperity as a strategic sector in our socio-economic system, and taking note of the importance of developing its potential in a manner compatible with sustainable development that would ensure adequate treatment and attention to the rural sector, will:

- Promote dialogue involving government ministers, parliamentarians and civil society, in particular organizations linked to rural areas, as well as the scientific and academic communities, with the objective of promoting medium- and long-term national strategies toward sustainable improvement in agriculture and rural life; ...
- Instruct the Ministers of Agriculture, during the next meeting of the Inter-American Board of Agriculture, to promote, in cooperation with the Inter-American Institute for Cooperation on Agriculture (IICA), joint action by all the actors of the agricultural sector to work towards the improvement of agriculture and rural life that enables the implementation of the Plans of Action of the Summits of the Americas.

Plan of Action  
Third Summit of the Americas  
Quebec City, April 2001



*“Heads of State and Government recognized agriculture as one of the key topics of development in the hemisphere, and issued a clear mandate to support and promote agriculture as a strategic sector of the socio-economic system of the Americas.”*

César Gaviria  
OAS Secretary General



*“We consider the Summit to be of historic importance because our political leaders recognized the strategic importance of 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 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.”*

Chelston W.D. Brathwaite  
IICA Director General

Recognition of agriculture's strategic importance for integral development of the countries was a significant political achievement. It also places agriculture within the context of the long-term objectives of the Summits process and the international development goals set for 2015. At the same time, it empowers leaders, organizations and rural communities to bring together the key players in development, secure resources, strengthen the institutional framework, and reach consensus on joint activities for the improvement of agriculture and rural life.

It has also given added momentum to efforts to adopt a policy framework for the improvement of agriculture and rural life.

### **Agriculture on the hemispheric agenda**

In keeping with the mandates issued at the Third Summit, the Ministers of Agriculture of the Americas spearheaded a process of dialogue at the national, regional and hemispheric levels, with public and private organizations, which culminated in the First Ministerial Meeting on Agriculture and Rural Life, held in the Dominican Republic in November 2001.

At that meeting, the ministers of agriculture adopted the "Ministerial Declaration of Bavaro for the Improvement of Agriculture and Rural Life in the Americas" and made major progress developing the "Strategic Guidelines for a Shared Agenda for the Community of Agriculture and Rural Life in the Americas."

In the Declaration, the ministers pledged to promote joint action among all the players in the agricultural sector, for the improvement of agriculture and rural life. They also identified

critical issues that need to be addressed as a matter of urgency and declared their readiness to lead and facilitate the process of implementing the Declaration.

*"This declaration resulted from an open process of consultation with all the stakeholders of agriculture in the hemisphere, and will serve as a framework for actions to fulfill the Summit mandates."*

César Gaviria  
OAS Secretary General

*"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."*

Chelston W.D. Brathwaite  
IICA Director General



## From recognition to concrete actions: the new challenges

Although the importance of agriculture and rural life in the development of nations was recognized in the mandates of the last Summit, giving rise to the agreements adopted by the ministers of agriculture in the Declaration of Bavaro, this political development also created new challenges for society as a whole and for the Community of Agriculture and Rural Life in particular.

These challenges require changes in the concept of agriculture, proactive leadership to address the current situation and the changing environment, new commitments to joint activities and additional flows of resources, and efforts to translate political determination into concrete actions that will have a significant impact on the prosperity of rural communities by 2015.

*“The Heads of State and Government assigned an important role to agriculture in achieving the international development goals by the year 2015. This role provides new challenges and demands changes in our concept 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. It also requires that public and private agricultural institutions take on new responsibilities and a proactive style of leadership.”*

*These challenges lead to the following important questions:*

- *How can this important recognition at the highest level in our countries be translated into concrete action?*
- *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?”*

Chelston W.D. Brathwaite  
IICA Director General

## 2005: an important milestone in the creation of an enabling environment

Improving agriculture and rural life is a continuous process through 2015 that envisages the attainment of intermediate goals, in particular by 2005. The leaders of the Americas place emphasis on making progress to increase prosperity in the nearer term.

*“Let us continue to promote prosperity in the rural communities of the Americas, in the hope that the objective of sustainable development will become a reality in Latin America and Caribbean before 2015.”*

Eligio Jáquez  
Secretary of State for Agriculture  
Dominican Republic  
President of the IABA

*“... I should like to refer to what was said this morning regarding the work needed and the possibilities of improving the situation or achieving the social goals set for the year 2015. I believe we should first try to set an intermediate goal, for the year 2005.”*

Horst Grebe  
Adviser to the President, Andean Development  
Corporation

The countries of the Americas have reached a decisive point in the international trade negotiations due to be completed by 2005, which have a very strong bearing on the prosperity of rural communities and the attainment of the international goals set for 2015. Agriculture is one of the strategic issues in the negotiations for free trade agreements, the FTAA and the Doha Round.

*“Agriculture has had, and will increasingly have, a basic role in a number of issues that are presently on the hemispheric agenda. The relationship between agriculture and trade is a key point in the creation of the Free Trade Area of the Americas (FTAA). The relationship of agriculture and rural issues to poverty, health, science and technology, sustainable development and natural disasters is fundamental and obliges us to continue working in the direction signaled by the Heads of State and Government.”*

César Gaviria  
OAS Secretary General

At their First Ministerial Meeting on Agriculture and Rural Life, in 2001, the ministers of agriculture signed the Ministerial Declaration of Bavaro for the Improvement of Agriculture and Rural Life in the Americas, in which they highlighted issues that are essential to international trade in agricultural products:

#### Ministerial Declaration of Bavaro for the Improvement of Agriculture and Rural Life in the Americas

“We consider it essential:

To move forward in the achievement of the objectives of agricultural trade liberalization, the elimination of subsidies and unfair commercial practices within the multilateral trade negotiations of the World Trade Organization (WTO) and in other hemispheric and subregional fora, and to support the creation of free trade areas and integration agreements in the Americas.”

Dominican Republic, November 2001



## Shaping a vision of agriculture in 2015

### The situation ahead: steady deterioration, inadequate progress

The countries of the Americas took great strides towards democratization in the last two decades. Other achievements were an improvement in per capita incomes, life expectancy and access to social services. However, over 220 million people in this hemisphere still live in poverty.

*“Although the economy grew in the last decade, it is generally accepted that the growth did not benefit the poor in Latin America.”*

Eligio Jáquez  
Secretary of State for Agriculture  
Dominican Republic  
President of the IABA

*“In the aggregate, the LAC region enjoys a greater measure of human development and security than other regions in the developing world, but poverty, ill-health, and child malnutrition persist, particularly in the region's poorest countries.”*

Joachim von Braun  
IFPRI Director General



*“... I would like to highlight the food problem, the problem of food shortages. In Latin America and the rest of the world, food production is not excessive but at least satisfactory. The problem is that the most disadvantaged groups, mainly rural populations, do not have the purchasing power to buy staple foods. In many countries, the purchasing power is falling and, as a result, so is people's access to food.”*

Albino Belotto  
Adviser to the Director of PAHO

*“... dealing with the malnutrition problem in the region, which relates to the investment of private and public sectors in agriculture, is still very protracted; it is complex. Five million children in Latin America, or 10% of the region's preschool population, suffer from malnutrition.”*

Joachim von Braun  
IFPRI Director General

Poverty is a major problem in rural areas and it is likely that food security may continue to be a problem in 2015.

*“In fact, over 50% of the rural population is poor in a number of countries in the region. This is extremely worrying.”*

Margarita Flores  
Deputy Director  
ECLAC Regional Office in Mexico

*“Rural poverty rates worsened in the region during the 1980s, and remained barely changed during the 1990s.*

*Some 54 million people (11 percent) in the LAC region are presently food insecure, compared to 59 million (13 percent) in 1991 and 46 million (13 percent) in 1980. FAO projects that 40 million people (6 percent) in LAC will remain food insecure in 2015 (FAO 2000 and 2002).”*

Joachim von Braun  
IFPRI Director General

Moreover, the non-sustainability of the environment is a threat to our long-term development. Agriculture has a critical role to play in achieving sustainable development, one of the international development goals set for 2015.

Agriculture is a major factor in current non-sustainability and the sustainability desired for the near future. This challenge for agriculture has been acknowledged in the decisions taken at the recent world forums on sustainable development, agriculture and food.

*“Agriculture is the primary interface between human beings and the environment, accounting for the bulk of natural resources used, such as land and water. Agricultural activities –land cultivation, fresh water use, mining of aquifers for irrigation, and habitat encroachment through agricultural expansion– have transformed between one-third and one-half of the earth's land surface, and current practices are threatening long-term sustainability.”*

Joachim von Braun  
IFPRI Director General

Despite its potential as a catalyst for development in the rural milieu, agriculture's performance in the last decade was worrying. The causes are related to priority issues that call for reflection and action.

*“In view of the indisputable economic potential of agriculture and the rural people of Latin America, two disturbing patterns must be highlighted at the outset, comparing the 1980s –often referred to as the “lost decade”– with the 1990s:*

1. *Agricultural growth in LAC was at the same level in both decades (2.3 percent) although the economic policies of the 1990s produced much better conditions for general growth (3 percent in the 1990s versus 1 percent per annum in the 1980s).*
2. *Rural poverty remained barely changed during the 1990s. Despite general economic growth, it affected 77 million people, i.e., 64 percent of the rural population in 1999.*

*The main reasons for these patterns are a lack of long-term finance and access to markets (despite globalization); bias in public policies and related distortions in public goods provisions (governance); and an underrating of the public investments in science, knowledge, and innovation.”*

Joachim von Braun  
IFPRI Director General

International trade, in particular the aspects of market access and the prices of agricultural products, is a major concern for the countries of the Americas. The benefits that should accrue from true competitiveness and value added to agricultural products, which are important aspects of the opportunities for development, are being denied by national and regional trade policies that the countries of the Americas face.

*“Although many developing countries, particularly in Latin America and the Caribbean, have taken steps to*

*open their markets, the OECD countries continue to impose tariff and non-tariff barriers (especially and increasingly the latter) on developing-country exports. This is particularly the case for high-value products such as beef, dairy products, and processed foods. The resulting losses are not offset by preferential trade schemes; the increased concerns about food safety and non-transparent standard setting are issues to which the Latin American countries must respond.”*

Joachim von Braun  
IFPRI Director General

*“Worldwide, lower prices mean a reduction and greater inequality in the distribution of income. The producer countries used to receive US\$12 billion of the US\$35 billion that were generated by the industry, but now receive only US\$6 billion of a total of US\$65 billion.”*

Salvador Urrutia Loucel  
Minister of Agriculture and Livestock  
El Salvador

Investment has also fallen.

*“If you look at the development of short-term capital flows, at least private capital flows, they have rapidly declined over the last three years in the Latin American region. Promoting growth requires capital and agriculture also needs investment.”*

Joachim von Braun  
IFPRI Director General

Agriculture is more than food and raw materials; it is a way of life for millions of people in the hemisphere. Prosperous rural communities in the near future will offer security and well-being for society as a whole.

*"It has been demonstrated that persistent poverty can be a serious threat to national social stability, the processes of democratic governance and overall development."*

Chelston W.D. Brathwaite  
IICA Director General

Questions are also being raised about international cooperation for agriculture; it must focus on national objectives and involve the coordination of efforts.



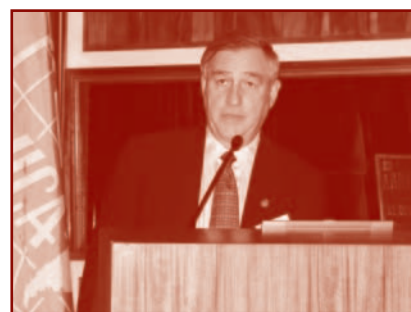
*"... At numerous meetings we have also emphasized to the countries the fact that the external support for agriculture is quite inadequate and constructive discussion is needed to overcome current shortcomings. The latter include the fact that they are often not focused on the countries' real priorities; instead, some agencies pay more attention to areas in which they have a particular interest. Moreover, instead of functioning as effective vehicles for development, they increasingly focus on administering the resources of externally funded projects, often duplicating external cooperation efforts, which then become a source of conflict."*

Mariano Jiménez  
Secretary of State for Agriculture and Livestock  
Honduras

## Agriculture: an open system in a complex, influential and changing environment

The way we view and understand agriculture is changing and now extends beyond the farm gate; with this, the "from-the-farm-to-the-table" approach is taking hold. Moreover, it is impossible to ignore the existence and influence of powerful forces in the environment surrounding agriculture that must be taken into account in efforts to bring about prosperity in rural communities, with agriculture as the driving force behind development in rural territories.

Some of the forces at work in the environment are globalization, the efforts to construct an international institutional framework for trade, the pressure of a growing population, changing consumer preferences, governance and the emergence and convergence of new technologies that can be applied to agriculture.



*"I would suggest that the agriculture we see today is very much characterized by three major forces. The first one is that consumers today are playing a much more influential role throughout the food system and especially in what happens on the farm."*

*The second factor has already been remarked upon: it is that there is a convergence of a large number of new technologies; many more than I think we have ever seen at one time are converging upon the food and agriculture industry.*

*Other new technologies are on the horizon and are in various stages of adoption. These include information technologies; robotics (which is in its infancy in agriculture but is soon to play a much larger role); precision agriculture (involving satellites and computers); technologies from completely outside of agriculture (which are beginning to play an ever-increasing role), and now sensor technology (which enables segregation of product not only by size or type but also by characteristic of the product itself, such as protein or other content) – all will play a much bigger role than ever before.*

*Then, finally there is biotechnology. I would argue that this is the single most important technology that has ever emerged in the food and agriculture area.*

*I would also note that policy, especially international trade policy, plays a much more dominant role today than it has in the past and as you have heard this morning, it promises to play an even greater role in the future.”*

J.B. Penn  
USDA Undersecretary  
Farm and Foreign Agricultural Services

*“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, as far as population growth and economic growth are concerned, 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.”*

Chelston W.D. Brathwaite  
IICA Director General

*“I would like to begin that discussion by looking at the larger global and regional context in which agricultural and rural development in LAC take place. Three critical factors in that context include agriculture’s linkages to globalization, to governance, and to science, technology, and innovation.*

*Globalization offers developing countries significant new opportunities for broad-based economic growth and poverty alleviation, but it also carries risks. The latter include: the short-term inability of many developing-country industries to compete; potential destabilizing effects of short-term capital flows; increased price risk exposure; and worsening inequality within and between nations and under-investment in people.*

*The macroeconomic instability that too often accompanies globalization is not conducive to broad-based agricultural and rural development. Agriculture depends on a long-term investment perspective for sustainable growth. On the other hand, where agriculture is thriving and diversified, supplying local, national and regional markets as well as the global market, it can help to buffer national economies and poor rural people from external shocks.*

*For smaller LAC net food-importing countries, especially, greater agricultural trade liberalization could lead to greater food price instability; this could hurt the poor by hampering access to food supplies at adequate prices. Trade liberalization could also increase potential exposure of previously protected domestic markets to external competition.”*

Joachim von Braun  
IFPRI Director General

*“Consumers are becoming increasingly demanding and will want to have a say in how food is produced, how animals are treated; they will be concerned with waste management and the protection of water sources. All of this is going to have a major impact on the production chain and on consumers’ decisions when purchasing food.”*

Albino Belotto  
Adviser to the Director of PAHO



## The type and quality of development we wish to achieve

As a component of domestic economies, agricultural development has been subject to the paradigms or economic models in vogue at any given time. Agriculture has had to cope with policies and practices related to import substitution, the green revolution, structural adjustment programs and, most latterly, market opening and the globalization of production and trade.

*“In the last fifty years, agricultural development has basically depended on the different economic currents that have prevailed in the world.”*

Salvador Urrutia Loucel  
Minister of Agriculture and Livestock  
El Salvador

If we look objectively at the impact, in recent decades, of economic models on agricultural and rural development, our thoughts are bound to turn to the need to forge some form of inclusive development, one that focuses on the well-being and aspirations of rural people and communities and does not contribute to excluding the poorest among them. Similarly, state policies need to be designed that give continuity to efforts to achieve society’s objectives and are backed by the means for attaining them.



*“Put simply, we understand development to mean a process of expanding individual capabilities and freedoms: in other words, people are the main resource and unquestionably who it is intended for. We regard*

*development, then, as a friendly process, one that should take into account the capabilities, characteristics and aspirations of people and communities.*

*Development is either a friendly process or it is not, essentially targeting the poorest sectors of our societies, those farthest removed from the State and from power.*

*In other words, we are discussing the type of development we want to see, the type of development we are capable of achieving, how we can bring it about and, of course, how we can fund it. Discussing the type of development we want highlights two things that are very important. First, the need to avoid getting bogged down in discussions about the means of achieving it, how to do things better; and, secondly, the need for politics and the States once again to focus on, discuss and define the objectives of society.”*

Arturo Barrera Miranda  
Undersecretary of Agriculture  
Chile

The Latin American and Caribbean region has an immense and recognized diversity of agricultural and natural resources that can be used to develop a comparative advantage for competing in world markets and generating growth throughout the economy. This is not enough, however. A balanced development model needs to be promoted, one that recognizes agriculture's real contribution and that eliminates the anti-rural biases of earlier models.

*“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.*

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

- *Better rural-urban balance through integral development of both urban and rural areas.*
- *Greater investments in rural areas essential for:*
  - i. ensuring social and political stability,*

- ii. promoting the competitiveness of agriculture and rural economic activities, and*
- iii. creating rural agricultural and non-agricultural employment that provides for an acceptable livelihood in rural areas.*

- *Productivity increases and an expansion in food supply to meet growing food needs and market requirements.”*

Chelston W.D. Brathwaite  
IICA Director General

## Agriculture's contribution to development

Society's recognition of agriculture's real contribution to national development is a matter of great interest to the leaders of agriculture and rural development. A frequent argument that is gaining more and more supporters, is that agriculture's contribution extends beyond primary production and includes a range of linkages that add value to production and create jobs and income.

*“Agriculture, including agroindustry, is one of the largest economic sectors in LAC, representing approximately 25 percent of the regional GDP. Primary agriculture alone accounts for 10 percent of all economic activity.”*

Joachim von Braun  
IFPRI Director General



Similarly, at this historic moment when international trade is an issue of the first order for the designers of public policies that have a great impact on agriculture and the prosperity of rural communities, agriculture's important contribution to national exports in Latin America and the Caribbean must be taken into account.

*“Agriculture is not the leading export sector in LAC considered as a whole. Nevertheless, food products and raw agricultural materials account for a still significant 24 percent of all exports (World Bank 2002).”*

Joachim von Braun  
IFPRI Director General

In addition, it is important to recognize that it is not enough to measure agriculture's real contribution to national development in terms of its contribution to GDP alone, reclassifying the contributions of other sectors and increasing that percentage. An additional effort is needed, one that exceeds the bounds of traditional indicators. This is fundamental if effective strategies and policies are to be defined that reflect an understanding of what it would really mean, for example, to food security and rural prosperity — cornerstones of social peace— if insufficient investments continue to be made in agriculture or if such investments are reduced even further.

*“We understand very well that the development of the countryside is the natural vocation of Latin America; agribusiness provides more employment and gives value added to products. All of this ultimately benefits the people, who will have more income and better food and health.”*

Albino Belotto  
Adviser to the Director of PAHO

## A vision of agriculture in 2015: elements for that desired future

A key element that must be taken into account in developing the vision of the agricultural sector we wish to see are the challenges posed by same. These include achieving long-term sustainable competitiveness, securing a flow of investment for the improvement of rural communities, enabling sustainable growth of rural economies, and satisfying the demand for agricultural goods and services that are safe, secure and environmentally benign.



*“In the environment described previously, and bearing in mind the trend toward low international prices for single crops such as coffee and sugar, the high price of oil, the conditions in the international marketplace and the signing of free trade treaties, at least two of the major challenges that our governments must tackle are: first, how to make agriculture both competitive and sustainable, so as to be able to participate in markets and provide food security; and, second, how to invest in improving living conditions in rural areas.”*

*And let us not lose sight of the fact that supporting all of this are human beings and the environment, the raison d'être of all actions to bring about a sustainable improvement of agriculture and the rural milieu.”*

Salvador Urrutia Loucel  
Minister of Agriculture and Livestock  
El Salvador

*“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.”*

Chelston W.D. Brathwaite  
IICA Director General

The environment surrounding agriculture is another strategic element that must be considered in developing a vision of agriculture in 2015. It must be envisaged as a greater agricultural sector that improves the living conditions of the people associated with it and a business activity that is socially and environmentally responsible, whose development is of strategic importance for present and future generations.

*“In talking of the future of agriculture, we obviously mean its development, how the people who live close to it and work in it can improve their quality of life and how they contribute to the process of growth of our countries.”*

Arturo Barrera Miranda  
Undersecretary of Agriculture  
Chile

*“Sustainable intensification of agriculture is needed –more yield per unit amount of land and of water– with concomitant improvements in institutional support, incentives, infrastructure and inputs. In the highly diverse LAC region an eco-regional approach which partly cuts across countries' boundaries is needed.*

*Improved farming practices and applying agro-ecosystem approaches will help ensure the viability of agriculture in the future, not only for providing food, fuel and fiber but also for allowing farmers to become better stewards of the global environment and provide valuable ecosystem services to an increasingly urbanizing world (WEHAB Working Group 2002).*

*Not only the level of agricultural growth but also its quality must improve. Such quality growth will generate employment, and income in both urban and rural areas, and will be environmentally friendly.”*

Joachim von Braun  
IFPRI Director General

*“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.”*

Chelston W.D. Brathwaite  
IICA Director General

The concept of a greater agricultural sector, with agrifood chains, systems and circuits, leads us to give thought to rural territories and the national and international contexts within which agriculture operates. Policy decisions in these contexts will gradually shape the enabling environment that is needed for agribusiness and for improving living conditions in rural areas.



*“According to the holistic vision of agriculture, agrifood circuits will be organized according to individual agricultural products or groups of them, framed by global, regional, national and local policies and norms and other*

*measures and instruments, agreed to among the public and private sectors, which will orient, promote, organize and regulate their operation and development, for the fulfillment of their mission in a dynamic and ecologically, technologically, economically, socially and politically sustainable way, with economic and social benefits that are distributed equitably among the relevant components and stakeholders, including primary producers, suppliers of inputs and services, industrial processors, merchants and consumers.”*

*The mission of agrifood circuits is to provide the human population with sufficient products of a high nutritional, sanitary and organoleptic quality to ensure food security and meet consumer demand for other agricultural products required for their well-being, in an ecologically, technologically, economically, socially and politically sustainable way, with economic and social benefits distributed equitably among the players in the circuit.”*

Francisco Morillo  
Director General Emeritus of IICA

## The conditions needed to realize the vision for 2015

The vision for agriculture and rural life in 2015 will contribute to attaining the Millennium Development Goals. Both objectives require rapid, sustained national and rural and agricultural growth.

*“So, what is our goal and what actions should we advocate? ECLAC estimates that to meet the Millennium Development Goals regarding poverty reduction, an average of 4% annual per capita growth in GDP is needed in countries where most of the population is poor. That requires an enormous effort.”*

Margarita Flores  
Deputy Director  
ECLAC Regional Office in Mexico

*“ECLAC estimates that in order to cut the region's rates of extreme poverty in half, per capita gross domestic product (GDP) will need to grow at 2.3 percent annually between now and 2015. In order to halve the overall poverty rate, growth would need to accelerate to 2.9 percent regionwide. The wealthier countries of the region would need to achieve a similar growth rate, while the poorer countries, with their higher rates of population growth, would need to attain growth rates of 4 percent annually (ECLAC 2002). Such growth, while not beyond the realm of the possible, will be difficult to sustain during the current decade.*

*In light of the breadth and depth of rural poverty, broad-based agricultural growth will be necessary if the region is to achieve progress in reducing poverty and food insecurity.”*

Joachim von Braun  
IFPRI Director General

*“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.”*

Chelston W.D. Brathwaite  
IICA Director General

However, rapid, sustained growth is not enough; growth must be equitable and respect natural resources and the environment. This calls for an enabling policy framework and institutions that stimulate a flow of investment for the kind of development we wish to see.

*“Environmentally sustainable development and improved well-being can only occur if the region's governments continue to invest in broad-based agricultural and rural development, including pro-poor agricultural R&D, infrastructure, and related human capital and institutions. If the region pursues appropriately balanced strategies –using market forces in combination with good government investment in the public goods for agricultural and rural development– there is a real opportunity to reach the goal of cutting poverty and hunger in half by 2015 and to reverse the severe environmental degradation in the region.*

*IFPRI projections indicate that the region will make progress toward achieving the MDGs over the next 15 years, especially if it continues to invest in equitable and sustainable agricultural growth, and policies and institutions are in place to assure that poor people in rural and urban areas have access to resources and economic opportunities.*

*Economic growth is essential for reducing poverty, but it is not sufficient. Income distribution is more unequal in LAC than in other developing regions, so growth will not benefit poor people without policies to assure access to resources, economic opportunities and social safety net programs.”*

Joachim von Braun  
IFPRI Director General

The millennium goals are an important part of the vision of agriculture in 2015 - but are they attainable? The answer has to be one of pragmatic and guarded optimism. We can reach the international development goals for 2015 provided that we radically change our concept of development and agriculture and, consequently, the policies we must implement.

*“Fundamentally, the Millennium Goals are about cutting poverty in half by 2015. In my opinion that is achievable. Studies by ECLAC and by our institute show that, if the Latin American region accelerates overall economic growth, accelerates the quality of that growth by stimulating rural growth, and combines it with targeted social investments where most of the poor are –and most of the extreme poor are still in rural areas in Latin America– then this goal is achievable.”*

Joachim von Braun  
IFPRI Director General

Nor will it be possible to realize the vision or create the desired future unless policies and institutions receive sufficient resources. To make our objectives a viable proposition, we must take a hard look at financing for agricultural and rural development and take urgent, immediate action.

*“Without a doubt, this new vision of development, which will provide important ways to respond to the problems and opportunities that lie ahead at the start of the 21st century, will require fresh technical and financial resources.”*

Mariano Jiménez  
Secretary of State for Agriculture and Livestock  
Honduras

*“Promoting growth requires capital and agriculture also needs investment. The growth agenda for agriculture requires capital investment, and, given high interest rates, we have a major problem at hand. Without public action and without concerted public-private action, the agenda to remobilize agricultural growth in the region will not be achieved.*

*To get out of the current macroeconomic crisis requires, first, revitalized competitiveness of the agricultural sector; second, the creation of new financial means in agriculture –both for large farmers and for small farmers–; and third, increased integration of the food chain, of the value chain.”*

Joachim von Braun  
IFPRI Director General



# *Constructing a renewed institutional framework for the development of agriculture and rural communities*

## **Creating an enabling environment**

The development of agriculture and rural communities requires an enabling environment, one that is without biases, discrimination or distortions and that places a strong emphasis on equity. Such an environment has to be created gradually, day by day, within national agencies, other branches of government and civil society, such as in international negotiations. Hence the urgent need to implement national policies and forge international agreements that will contribute to creating economic and social conditions that foster the development of agriculture and create jobs and income in rural communities.

*“...agriculture must stop being the "poor relation" at different forums, going cap in hand as if it did not deserve attention. State policies also place agriculture in the forefront of the national scenario, together with other government macroeconomic policies.*

*... we believe that agricultural policies must be incorporated into programs that promote growth and macroeconomic stability.”*

Eligio Jáquez  
Secretary of State for Agriculture  
Dominican Republic  
President of the IABA

*“A critical issue is how globalization can be guided to benefit low-income people, particularly their food and nutrition situation, as well as the impact on natural resources. Without appropriate accompanying policies and institutions at both the national and international levels, globalization may bypass many poor people in developing and developed countries alike.”*

Joachim von Braun  
IFPRI Director General

First and foremost, the aim is to consolidate national agrifood chains and involve them in international trade.

*“Our proposals in the three pillars (export competition, market access and domestic support) are very simple and straightforward. The first pillar is export competition. Our proposal, therefore, is very straightforward: let's eliminate export subsidies, and phase them down and out in a five-year period.*

*In the case of market access, we see a very mixed picture around the world, in that duties are widely disparate for different product lines. We hope to try to level the playing field to reduce tariffs for all products to a common level. The global average tariff on food and agricultural products traded around the world is 62%. We have adopted a Swiss formula approach, which is a mathematical approach that reduces the highest tariffs the most and reduces lower tariffs at a much slower rate. The end result is that at the end of a five-year period, the global average tariff on food and agricultural products will be reduced from 62% to 15%, and no product line can carry a tariff higher than 25%.*

*Under the third pillar, domestic support, our approach also is very straightforward. Our proposal reduces the amber box (trade-distorting) subsidies based on the value of agricultural output in each individual country. We would phase these down so that at the end of five years, the amber box limit, the allowable amount of trade-distorting subsidies, is no more than 5% of the value of agricultural production.”*

J.B. Penn  
USDA Undersecretary  
Farm and Foreign Agricultural Services

There is an opportunity to make a major contribution to creating such an environment, but time is short and running out.

*“The time frame for concluding the Doha Development Agenda is January 1, 2005. The time frame for concluding the Free Trade Area of the Americas is exactly the same, two and a half years from today.*

*As a hemisphere, as a group of trading nations, as neighbors, we need to address the issues implied by the successful conclusion of these trade agreements. Our trading world may be fundamentally changed in two and a half years, a relatively short time period.”*

J.B. Penn  
USDA Undersecretary  
Farm and Foreign Agricultural Services

Equity is a key principle that must be taken into account in creating an enabling environment, specifically in terms of ensuring "access" to different things.”

*“I think we are all agreed that equity is vital so that the entire system can function harmoniously. The principles of equity must be applied in terms of timeliness of access to resources and the means of production, the distribution of the benefits and the relations among the different people who operate the circuits and systems. These components include primary producers, the producers and suppliers of inputs and services, industrial processors, merchants and consumers.”*

Francisco Morillo  
Director General Emeritus of IICA

## Policies and institutions

The liberalization of international trade is not enough; the countries must engage in this process with policies and institutions that enable development, in particular as regards the most disadvantaged countries and groups.

*“However, the hemisphere’s integration into the global economy also poses threats. It is therefore essential that the right strategies be adopted, to reap more benefits from the opportunities that exist and to distribute them better.*”

*The strategies implemented must aim to close the gap between us and our main trade partners and competitors, in areas such as technology, production, trade, competitiveness, and institutional and social matters.”*

Salvador Urrutia Loucel  
Minister of Agriculture and Livestock  
El Salvador

*“The LAC region should expect further gains from trade liberalization, but IFPRI studies suggest that the gains would be modest (Rosegrant et al. 2001). Without appropriate domestic economic and agricultural policies, however, developing countries in general and poor people in LAC in particular will not fully capture potential benefits from trade liberalization. The distribution of benefits depends on the distribution of productive assets. LAC countries should enact policy reforms that remove biases against small farmers and*

*poor people while facilitating access to benefits from more open trade.*

*Currently, the majority of the region's small producers and rural families are poorly prepared to gain the broader benefits of the changes in agriculture production and trade. While the impact of trade and agricultural policy changes on poor consumers, and small and near-landless producers, is a source of debate, adequate design and funding of domestic policies to achieve agricultural growth and poverty reduction will be essential.”*

Joachim von Braun  
IFPRI Director General



*“Basically, the goal is social inclusiveness, by truly focusing efforts to increase competitiveness, about which so much is said, and higher productivity, on the poor.*”

*Reducing these asymmetries, reducing these differences, should be a central objective of hemispheric policies, to create more just societies by giving small-scale producers, poor rural dwellers, access to information, access to new markets, access to financing, access to power. We have to empower them so we can achieve the goals that have been set for 2015, to reduce poverty in this short timeframe. If we fail to solve these problems of access, to reduce these asymmetries, I do not believe we are going to make very much progress.*



*If we fail to close these technological gaps, we are going to be able to do very little to achieve the goal of reducing poverty by 2015.”*

Alan Bojanic  
Deputy Minister of Agriculture, Livestock and Fisheries  
Bolivia

The policy area covers a wide range of issues that have an important influence on the development of agriculture and rural communities. Some of those on which greatest emphasis was placed were governance, science and technology, and investments.

Important aspects of governance need to be addressed so that government policies are balanced. As well as overcoming disequilibria, government policies must go hand in hand with an effective decentralization of power.

*“Many countries in the LAC region, it seems, have yet to strike an appropriate balance in key policy areas. These governance issues relate to the quality of governance and the balance between:*

- *state and market policies;*
- *national and decentralized policymaking; and*
- *growth-oriented rural development policies and social security policies for the rural poor.*

*Improved policymaking and capacity building could go a long way toward achieving the MDGs.*

*I am not arguing that too much market needs to be balanced by more government. I am arguing that when it comes to the strategic direction of agricultural and food policies, the Latin American region has not found the right balance between state and market action. Some of us are concerned that current instabilities in the region may lead to an overreaction, calling for government regulation again rather than market forces.*

*A second area where re-balancing is needed is between the role of national and subnational governments, the role of provincial and district governments for effective rural development. Our observations are that national agricultural policies may need to be re-emphasized a bit more.*

*Finally, a third balance between growth-oriented rural development policies and social security policies has not been found in many countries in the region.”*

Joachim von Braun  
IFPRI Director General

*“Government policy must go hand in hand with the decentralization of power, to empower men and women rural producers to generate enough income to permit family and community development. Agriculture must not only provide a tool for combating poverty better than any other economic undertaking, but also contribute to the decentralization of power.”*

Eligio Jáquez  
Secretary of State for Agriculture  
Dominican Republic  
President of the IABA

Progress in science and technology, particularly in molecular biology, information and communication, and new forms and sources of energy, offers potential benefits that could promote food security and sustainable natural resource management. However, access to these resources for development is a matter that all countries must consider very carefully.

*“The task of assuring access to knowledge and technological advances is a critical issue that Latin America will have to address to achieve potential gains in agricultural productivity. This requires a strong science and knowledge system in agriculture, including universities and public research institutions. Agricultural faculties and their natural and social science branches must contribute to the task.”*

Joachim von Braun  
IFPRI Director General

Policy formulation involves alternative ways of reaching the desired objectives. Three main concerns were put to the leaders of agriculture.

*“First, how can agricultural and food policies create opportunities in the current crisis? The first answer to that question is export competitiveness, aggressiveness in order to open up markets where they are currently closed, and that requires the action I referred to in the WTO. Secondly, it is innovative finance for large- and small-farm agriculture. It is not just the trade agenda; the finance agenda is at least as important from the international perspective to get agriculture and rural development moving in the region; and third is public agricultural research, which is required to facilitate long-term growth.*

*My second question is how can agricultural and rural development policy enhance the reduction of poverty, which is the key Millennium Goal? The first answer to that is that full liberalization of agricultural trade would benefit the region and modestly improve the poverty situation. What is needed, in addition, is targeted investment in irrigation, rural roads, education, clean water, and social safety nets. According to IFPRI estimates, if that investment would be increased over the next period until 2015 by about 30%, the region would meet the goal. Other world regions have much harder, and much less feasible, investment challenges on their hands than this region: it should be doable in this region. Resource mobilization, however, is necessary for agriculture to play its role in reaching the Millennium Goals. This requires*

*empowerment of agricultural communities, including the representatives of farmers, research communities, and the ministries.*

*Third, how can agricultural and rural development policies enhance sustainability? The primary action here is also productivity increases, because without productivity increases in land and water, the land management issues of the region will not be reached. In addition, we need investments in biodiversity.”*

Joachim von Braun  
IFPRI Director General

In an enabling environment, the changes needed by 2015 can be achieved. Some priority spheres of activity must therefore be addressed to develop agriculture.

*“Looking to 2015, and bearing in mind the Millennium Development Objectives, the following could be the six major focuses of action for developing our agricultural and rural sectors:*

- 1. Training human resources for agriculture and rural development through 2015*
- 2. Participation and organization in the rural milieu*
- 3. Development of risk management instruments for agribusinesses*
- 4. Market access and stronger export strategies*

- 5. Broadening of the forms or mechanisms for financing agricultural and forestry activities and development*
- 6. Most importantly, consolidation and modernization of small-scale agriculture.”*

Arturo Barrera Miranda  
Undersecretary of Agriculture  
Chile

## Dialogue, participation and capacity building

Consultation, dialogue and active and effective involvement in the construction of an institutional framework that will facilitate the development of agriculture will confer legitimacy on the negotiations on policies and actions to be implemented. They will also make the management of public affairs more transparent.

*“Current economic conditions pose new challenges for the hemisphere’s ministries and secretariats of agriculture and livestock, which must continue to participate actively in regional, bilateral and multilateral forums.”*

Salvador Urrutia Loucel  
Minister of Agriculture and Livestock  
El Salvador

*“Developing countries must participate effectively in global agricultural trade negotiations, pursuing better access to the industrialized countries’ markets, and they must open their own markets. A number of developing countries are protectionist; not all developing country markets for food and agricultural products are open. The Doha round of the WTO negotiations offers the opportunity to take large steps forward, and that requires alliance formation among developing countries with like-minded interests on certain issues, and also with industrialized countries. This is not just a technical matter; the political economy of trade liberalization requires active engagement.”*

Joachim von Braun  
IFPRI Director General

To advance toward the realization of the vision for agriculture in 2015 and tackle long-term commitments together, agreements of different kinds must be reached. The capabilities of agricultural organizations for policy analysis, the management of cooperation mechanisms, and consensus building with other players in society must be enhanced.

*“The region does not have enough analytical capacity in the area of food and agricultural policies. The investment in agricultural universities, in the profession of agricultural economics, and in think tanks should be accelerated at the national and regional levels. The very ambitious goals of cutting poverty in half and accelerating agriculture’s growth rate require those skills.”*

Joachim von Braun  
IFPRI Director General

*“We must strengthen the coordination of efforts to support our member countries more effectively, so they can play an active role in the international organizations that regulate food standards (e.g., the Codex Alimentarius, the WTO, the OIE, the sanitary and phytosanitary agreements) and not sit down at the negotiating table without proper preparation, forced to accept what is agreed by countries that are better prepared technically.”*

Albino Belotto  
Adviser to the Director of PAHO

*“... It is increasingly evident that international agencies will have to focus more on providing inputs for, and advice on, the developments taking place in international regulatory organizations such as the WTO, Codex and the OIE; on external support to facilitate the articulation of the development policies that the States decide to implement; or on contributing in a more specialized way to the development of the expertise needed to negotiate with the regulatory organizations.*

*I would especially like to remind international organizations of the need for more guidance on the direction in which the agricultural sector is headed, to help us anticipate events. We need to be proactive, not reactive, in these circumstances.”*

Mariano Jiménez,  
Secretary of State for Agriculture and Livestock  
Honduras

## Development financing

To realize our vision of agriculture in 2015, development financing and investment flows for the development of agriculture and rural communities must be made a major priority. The political determination of the world's Heads of State and Government, as set out in the Monterrey Consensus on financing for development, must be backed up with actions.

*“The fact is that we are seeking, almost simultaneously, increased support for our renewed agendas from the international community, in the fields of agricultural and rural development. This, combined with the need to structure our market mechanisms, poses an enormous challenge to cooperation organizations, bearing in mind the capabilities and resources at their disposal. Due to this situation, new modalities and sources of resources will have to be found in the short term to provide external support to agriculture and the rural milieu. The situation calls for international dialogue and the creation of innovative mechanisms capable of responding, in the short term, to the growing demand for external resources to support agriculture in Latin America and the Caribbean.”*

Mariano Jiménez,  
Secretary of State for Agriculture and Livestock  
Honduras

*“We need new finance for agricultural investment in the region, without starting new debt cycles. Therefore, equity financing through partnerships rather than traditional bank loans for larger farms, possibly related*

*to commodity financing and the microfinance revolution –which is progressing in many parts of the world– can also meet, to a certain extent, the financial needs of smallholders. Nevertheless, agriculture will have to cope with the current instabilities. So, we have to respond partly with an agricultural policy that helps agricultural sectors to be resilient and to be able to better cope with shocks, and that requires investment and diversification.”*

Joachim von Braun  
IFPRI Director General

*“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, and*
- *support investment in the development of rural enterprises and institutions that strengthen rural-urban linkages and the generation of value-added activities and higher incomes.”*

Chelston W.D. Brathwaite  
IICA Director General

## Social capital for development

In a globalized and increasingly inter-dependent world, social capital is emerging as a vital new resource for development. Trust among the stakeholders in development, interest groups and countries is part of that social capital.

### Social Capital

“The set of resources at the disposal of individuals, groups or communities that form a durable network of relationships of reciprocity, trust and cooperation, which increases material well-being, facilitates the exercise of citizen’s rights and can become a mechanism for social control.”

Social Panorama of Latin America  
ECLAC, 2001-2002 edition



*“Trust, as you know, is a moral commitment among all of us to help pull our people out of extreme poverty. We must assume responsibility for stemming the migration of our people, who must leave their spouses, children, customs and traditions behind. This is responsibility we all share. It is our historic and moral responsibility to find ways to distribute fairly the wealth among all of us.*

*This is why, as an entrepreneur, I feel a great responsibility to take care of our primary suppliers so that the distribution of wealth will be fair.”*

Carlos Kasuga Osaka  
Chairman  
Agribusiness Council of Mesoamerica and the Caribbean



## *New forms of cooperation for development: “Working Together”*

### **The commitment to strengthening cooperation**

At the global level, the eighth Millennium Development Goal expresses the desire of governments to promote a global partnership for development, with goals for assistance, trade and debt relief. In the Americas, the ministers of agriculture reiterated their firm commitment to the mandate issued at the Third Summit of the Americas, concerning efforts to promote joint action among all the players in agriculture for improving agriculture and rural life.

Lasting cooperative relationships among national and international, public- and private-sector players are a key form of social capital for the development of agriculture and rural communities, one that needs to be promoted and consolidated.

*“The future of agriculture in the 21st century in the Latin American and Caribbean countries must be based on national agendas agreed to by the different sectors and actors and organizations in agriculture.”*

Salvador Urrutia Loucel  
Minister of Agriculture and Livestock  
El Salvador

*“... Speaking as an entrepreneur, I want you to understand that we cannot continue to go it alone; we must unite. Producers, entrepreneurs and the government must work together.”*

Carlos Kasuga Osaka  
Chairman  
Agribusiness Council of Mesoamerica and the Caribbean

*“Our last question is what type of collaboration is needed for policy and research organizations that will enhance the Millennium Development Goals agenda? Actually, here the Millennium Platform of the Heads of State has called for partnerships for sustainable development in food and agriculture and we certainly need to strengthen these partnerships. They must be goal-oriented and not just partnerships for partnerships’ sake. They must be defined with milestones, and those milestones are now drawn from the Millennium Goals agenda. That set of partnerships is, in my opinion, an excellent element of globalization. Investing in these partnerships to achieve these goals, to share our knowledge and our potential to influence policy with knowledge, not just with lobbying, will be the foundation for achieving the Millennium Goals.*

*Partnerships are the key to achieving broad-based and environmentally friendly agricultural and rural development. They are particularly important for agricultural research and knowledge. Regional cooperation to strengthen governance and agriculture-related institutions, and increasing multilateral support for regional cooperation are both essential. Including private sector and nonprofit organizations in public-sector cooperation will raise the effectiveness of government actions and investments in rural development.”*

Joachim von Braun  
IFPRI Director General

### Declaration of Quebec City

“We call upon ... (the OAS, PAHO, IICA, IDB, ECLAC and the World Bank)... and other regional and international organizations to establish greater coordination for support to the implementation and follow-up to the Plan of Action of this Summit.”

Paragraph 30, Declaration of Quebec City

## Developing interagency cooperation agendas

The countries are calling for joint action among cooperation organizations, urging them to do more to coordinate efforts.

*“International cooperation agencies support the efforts of the governments and, in particular, programs and projects targeted at strategic areas and issues. This support is provided via financial contributions, non-reimbursable loans or specialized direct technical cooperation.*

*Generally speaking, it has a positive impact on specific situations but is not linked to broader processes in space and time. To maximize these efforts, it is important to promote the establishment of teams or task forces of international cooperation agencies.”*

Diego I. Gándara Pérez  
Undersecretary of Agriculture and Livestock  
Ecuador



*“What does the Caribbean require of international cooperation agencies, such as IICA? This requirement is simple. To assist us to be effective and efficient partners in free and fair trade, taking into consideration some of the issues previously mentioned. We recognise that this is a substantial task and cannot be*



*accomplished by any one international institution. As such, we ask these institutions to effectively collaborate with each other so as to reduce duplication and maximise the cost effectiveness of their scarce resources.”*

*Cedric Roy Liburd  
Minister of Agriculture, Fisheries  
Cooperatives, Lands and Housing  
St. Kitts and Nevis*

*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.”*

*Chelston W.D. Brathwaite  
IICA Director General*

Cooperation organizations are achieving successful experiences and seizing the gauntlet:

*“... We have also enjoyed major success in eliminating foot-and-mouth disease, mainly in the hemisphere’s large cattle-farming areas, thereby opening up markets for many countries. I think these efforts also show the need for and the importance of strengthening the role played by international organizations as coordinators.”*

*Albino Belotto  
Adviser to the Director of PAHO*

*“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.*

#### Ministerial Declaration of Bavaro for the Improvement of Agriculture and Rural Life in the Americas

Call on the institutions associated with the Inter-American Summit process, the international financial institutions and the cooperating governments to coordinate their strategies and to support the actions aimed at improving agriculture and rural life. In addition, to call on the international cooperation organizations that make up the Interagency Group on Rural Development in Latin America and the Caribbean to harmonize their technical and financial cooperation efforts in support of this Declaration and future national and regional plans of action that are consistent with same. (Paragraph 20)

First Ministerial Meeting on Agriculture and Rural Life  
November 2001

## A hemispheric platform of cooperation for agriculture: tearing down the walls of rural isolation

The development of agriculture and the attainment of rural prosperity are tasks too great for any single organization. IICA is therefore promoting a hemispheric platform that fosters dialogue, strengthens and expands strategic partnerships and facilitates, among other resources for development, the flow of knowledge and investments for agriculture and the rural economy.

*“In light of the challenges facing agriculture and rural life, a new institutional framework will be needed to transform rural isolation into a network of global prosperity. The mechanism to implement this strategy is a hemispheric platform that will facilitate dialogue, strengthen and extend alliances with strategic partners, and increase the flow of investments to 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, to 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 the regional, hemispheric and global levels, to 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.*

*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.”*

Chelston W.D. Brathwaite  
IICA Director General

## IICA’s contribution

As a development organization and a partner institution in the Summit of the Americas process, IICA has an important role to play in realizing the aspirations of the Community of Agriculture and Rural Life of the Americas.

Accordingly, IICA has taken into consideration and incorporated into its mission, vision and strategic areas of action, the new mandates of the Third Summit of the Americas and the Ministerial Declaration of Bavaro.

## Vision and Mission of IICA

**Vision:** To transform IICA into a development organization that promotes 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.

Inter-American Institute for Cooperation on Agriculture  
2002-2006 Medium Term Plan

The countries also expressed their opinions on IICA's contributions to the improvement of agriculture and rural life.

*“Finally, I would like to state what, in our opinion, should be IICA's role and chief contributions in the future, as part of this effort to develop agriculture through 2015:*

- a) develop a strategic vision of our agricultural sectors through 2015, i.e., structurally profile the vision and its objectives and goals;*
- b) support the development of paradigms and capabilities for resolving, in a positive way, some of our most serious bottlenecks, such as the institutional organization of our public sector*

*and the reorganization of our research, technology development and innovation systems; and*

- c) monitor and evaluate the impact of the agricultural subsidies of the developed countries on developing countries.”*

Arturo Barrera Miranda  
Undersecretary of Agriculture  
Chile



*“After 60 years of uninterrupted work, the Institute has decided to shift its focus to become a development agency, redirecting its technical cooperation actions and supporting the modernization of the national institutions responsible for progress in the agricultural sector and the alleviation of rural poverty. One very important aspect is the strengthening of negotiating capabilities in the two multinational trade fora and new free trade agreements in the Americas. We hope IICA will continue to provide the quality service it always has in this area.”*

Lineth Saborío  
First Vice President  
Republic of Costa Rica

# *2003, Year of the Second Ministerial Meeting on Agriculture and Rural Life: Next step in the process to shape the agriculture we desire for 2015*

## **Maintaining the impetus achieved and the agreements reached in 2001 in Quebec City and Bavaro**

In 2001, the recognition of the importance of agriculture at the Third Summit (Quebec City) and the agreements reached at the First Ministerial Meeting were important milestones in the process to realize the vision of agriculture in 2015. The Second Ministerial Meeting on Agriculture and Rural Life, which will take place as the crucial international negotiations scheduled to be completed by 2005 continue, is equally important.

Taking into account the Declaration of Bavaro, the progress achieved to date and the current situation, the process of the Second Meeting Ministerial will focus on:

- the implementation of the Ministerial Declaration of Bavaro; and
- the definition of the decisions required from the next Summit of the Americas.

*“In compliance with the mandates of the Summits of the Americas and the First Ministerial Meeting, held in my country last year, we will continue to promote the*

*adoption of new policies and foster regional and hemispheric development and cooperation initiatives, with a view to implementing the Bavaro Declaration for the Improvement of Agriculture and Rural Life in the Americas.”*

Eligio Jáquez  
Secretary of State for Agriculture  
Dominican Republic  
President of the IABA

*“We recognise and appreciate the outstanding intention of the Heads of State and Government when they gave agriculture and rural development a key role in the social and economic development of the Americas. At national and regional levels, we have been part of the process leading up to the Bavaro Declaration in November 2001. We recognised this declaration as being critical to the implementation of the mandates given by the heads of government. For this reason, the strategic guidelines must be agreed to earliest and approved.”*

Cedric Roy Liburd  
Minister of Agriculture, Fisheries,  
Cooperatives, Lands and Housing  
St. Kitts and Nevis

## Improving agriculture and rural life: an ongoing process



*“We, the Ministers of Agriculture, will have our Second Ministerial Meeting on Agriculture and Rural Life, within the context of the Summit of the Americas process, in November 2003 in Panama. At that time, we will conclude a broad-based process of consultation and consensus building among key stakeholders in agriculture, the goal of which will be the definition of the national, regional and hemispheric agendas that today serve as a basis for IICA's actions in the member countries. This meeting will afford us an opportunity to continue our reflections on progress in, and obstacles to, improving agriculture and rural life in Latin America and the Caribbean. Also, and as evidence of our commitment, we will disseminate national experiences in the development of medium- and long-term strategies and the execution of regional and hemispheric joint actions among strategic partners.”*

*At the Second Ministerial Meeting on Agriculture and Rural Life, we will bring together in a Plan of Action present and future efforts related to the vision of agriculture for 2015, and identify the policy areas we want to see incorporated into the Summit of the Americas process.”*

Eligio Jáquez  
Secretary of State for Agriculture  
Dominican Republic  
President of the IABA

## *Open letter from the Director General of IICA to the Leaders of Agriculture and Rural Life of the Americas*

The ideas of the leaders of agriculture and rural life in the Americas who took part in the commemoration of IICA's 60th anniversary will help us shape the vision for agriculture in the Americas. They also permeate with a sense of urgency the actions needed to ensure that, in each of our countries, prosperity in rural communities is a reality by 2015.

We must work boldly to bring about the sustainable development of agriculture and eradicate rural poverty and food insecurity in the Americas.

The inputs of these leaders motivate us and help create an enabling environment for developing new joint activities between the key stakeholders of agriculture and international cooperation organizations. As key players in the agricultural sector, we must work together to develop a shared vision and achieve consensus on the action required.

Our peoples and Heads of State and Government demand it of us. We will be held accountable by present and future generations if we fail to fulfill our obligations. The challenge before us, then, is to help attain the international development goals set for 2015.

Agriculture has a key role to play in achieving these objectives. The goal of prosperous rural communities demands our full commitment and a willingness to help one another and work together.

Time is short and the challenges are formidable.

Important international negotiations that have wide-ranging implications for the development of agriculture and rural communities are in progress. In this context, we must work to strengthen the sense of unity in the Community of Agriculture and Rural Life. This will enable



us to suggest to the Heads of State and Government of the Americas complementary decisions that must be made to bring about the international development goals more quickly.

During 2003 we leaders will have the opportunity to strengthen national, regional and hemispheric dialogue. The preparations for the Second Ministerial Meeting on Agriculture and Rural Life provide an opportunity to examine the progress achieved, adopt strategies for implementing the Ministerial Declaration of Bavaro, and consolidate joint initiatives for the improvement of agriculture and rural life.

They will also make it possible for us to strengthen our political position regarding the improvement of agriculture and rural life at the next Summit of the Americas.

As members of the Community of Agriculture and Rural Life, we at IICA will make every effort to help the leaders fulfill their responsibilities and, at the same time, support the consolidation of the Community as it strives to bring about a sustainable development of agriculture and rural communities in the Americas.



Chelston W.D. Brathwaite  
IICA Director General

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