



**WDR2008 Civil Society Consultation. Toronto, Canada, 25-26 January 2007  
Final Report<sup>1</sup>**

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**February 2007**

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<sup>1</sup> This document is part of a series of contributions by Rimisp-Latin American Center for Rural Development ([www.rimisp.org/wdr2008](http://www.rimisp.org/wdr2008)) to the preparation of the World Development Report 2008 "Agriculture for Development". This work was carried out with the aid of a grant from the International Development Research Centre, Ottawa, Canada ([www.idrc.ca](http://www.idrc.ca)). The contents of this document are the exclusive responsibility of the authors.

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## Executive Summary

The World Bank is preparing its 2008 World Development Report (WDR2008) on “Agriculture for Development” to be published in September 2007 ([www.worldbank.org/wdr2008](http://www.worldbank.org/wdr2008)). The World Development Report is a highly influential publication that will be used by many multilateral and bilateral international organizations and by national governments, to support their decision-making. The last time the World Bank dealt with agriculture in a publication of this importance was one generation ago, in 1982.

Rimisp-Latin American Center for Rural Development ([www.rimisp.org](http://www.rimisp.org)) was asked to contribute to the preparation of the WDR2008, including in the organization of a Civil Society Consultation. The participants were selected independently by Rimisp, in consultation with many individuals from civil society organizations from around the globe. Participants were called upon to (a) discuss the WDR2008 Overview document (of 21 December 2006), to (b) identify issues that are either missing or are being inadequately covered, from the point of view of civil society, and to (c) issue specific recommendations to the World Bank to improve the WDR2008.

The consultation meeting took place in Toronto, Canada, on 25 and 26 January 2007. It counted on the financial support of the International Development Research Centre (IDRC, Canada) and the Interchurch Organisation for Development Co-operation (ICCO, The Netherlands) and assembled 34 participants from social movements, social organizations and NGOs from Africa, Asia, Europe, Latin America and North America, and from international organizations, including key members of the WDR2008 core team.

The participants welcomed the focus of the WDR2008 on agriculture and development and the recognition being given to the critical link between agriculture, development and poverty. There were of course diverse perspectives from the meeting participants, however, with this said participants were generally supportive of the main thrust of the report and the main messages as presented by the WDR team in the opening meeting session. It was clearly noted that the presentation given by the WDR team allayed a number of concerns that participants had with the WDR Overview document that was available prior to the workshop. They also agreed on a stronger message regarding the relation between agriculture and development

A primary concern of the participants was on how to ensure the strategies being proposed by the WDR would in fact be implemented. It was felt that there needed to be a very clear explanation of why there have been past failures.

A significant number of participants were concerned about the underlying assumptions of the report not being sufficiently clear and transparent. In this regard the main points of discussion were around the nuances of the trade liberalization agenda, the future for small-scale producers, the multi-functionality of small-scale agriculture and justification for the three types of countries assumptions about structural change in rural areas.

The main recommendations could be summarized as followed:

- **Entrepreneurship:** The WDR must more clearly recognize the importance of entrepreneurial capacity and a supportive entrepreneurial environment for small scale rural producers. This recognizes that market driven development can be significant to overcoming rural poverty. Enhancing entrepreneurial capacity will require significant investments from the public, private and civil society spheres. Further, the state has a critical role to play in fostering an institutional framework – financial systems, contracts, arbitration, input markets, and competition and anti trust laws – that is supportive of small scale entrepreneurship. Much can potentially be achieved in this regard through public private partnerships; however the state must put in place the right incentive mechanisms for private sector support and investment and be prepared to fund the business development services which are critical if small businesses are to be created and to grow. However it must also be clearly recognized that entrepreneurship will **not** be a route out of poverty and food insecurity for a very large proportion of the rural poor. Consequently differentiated policies and strategies for different groups of the rural poor will be essential.
- **Marginalization:** The reality of marginal areas and marginalized groups and the need for special national and international attention for such areas and peoples requires greater attention in the WDR. For such groups the weakness of local institutions (e.g. for marketing and extension), poor natural resources, limited infrastructure, limited access to services, health conditions, low levels of education and social and political inequality, and low prices for agricultural commodities, severely constrain their ability to engage in new market opportunities. Without special attention such areas and groups will become further marginalized from the mainstream of economic development. The WDR needs to be specific about the underlying assumptions of how marginalization is to be tackled at international and national scales. This is a particular concern for much of Sub-Saharan Africa where current prescriptions are woefully inadequate, agriculture is the only possible route out of poverty and where a realistic analysis of the agricultural system is needed to enable pro-poor agricultural growth.
- **National Policy Frameworks:** The WDR should be extremely clear that many of the actions required for agriculture to become a more effective driver of development are dependent on creating and **implementing** supportive national policy frameworks. Such frameworks need to address public investment, service delivery, creating supportive legal, taxation and other institutional arrangements, rural education and health programs and cross ministry coordination. The reality must be recognized and addressed that many agricultural ministries are under-funded, lack capacity, are poor in delivering their mandated services and weak in influencing the overall national policy and expenditure priorities. However, it is also critical to understand that agriculture for development today requires very different thinking about the role of the state than in the past. In particular it needs to be one of creating enabling conditions for inclusive, equitable and sustainable development. To do this requires close and constant engagement with all relevant stakeholders and transparent and accountable processes of decision making. In this regard the voices of the poor and marginalized must be heard and responded to in formulating national policy frameworks. Much need to be done to develop representative,

democratic, accountable and competent producer organizations that can engage effectively with policy issues at local and national levels, as well as effective participatory planning systems that bring the voices of communities into mainstream planning and resource allocation processes. National policy needs to be implemented through effective processes of decentralization where government is held accountable through open and participatory processes of planning, budgeting and expenditure monitoring.

- **Access to Natural Resources:** The WDR must clearly focus on the critical issue of the poor gaining secure and equitable access to natural resources if they are to contribute to and benefit from a new agenda for agriculture. It must be recognized that this is a highly complex and politically difficult issue that will require skilled policy intervention and careful negotiation. The WDR must be careful not to promote a form of “best use of land” and land and water market reform that will work against the interests of the poor. This said it is recognized that much structural reform will be required to cope with the demographic changes in rural areas and to enable small scale producers to develop competitive scales of operation. The WDR should recognize the diversity of common property systems characteristic of the developing world, and not advocate a single form of tenure system. Protecting the productive capacity of agro-ecosystems must be clearly argued by the report as foundational to Agriculture for Development. Further there needs to be clear recognition of the significant market failures that lead to over exploitation of natural resources and a clear agenda for how these market externalities can be overcome.
- **Food Security and Subsistence Agriculture:** The WDR must ensure a balanced perspective on food security and subsistence agriculture within the context of more market orientated approaches to agriculture for development. Fewer and fewer people are now solely dependent on subsistence agriculture and many households have more diversified livelihood strategies. However, subsistence agriculture will remain critical to food security for a vast proportion of the rural poor for the foreseeable future, particularly in Sub-Saharan Africa. Consequently the WDR must propose clear strategies for achieving food security in the face of climate change, population increase, and the human resource consequences of HIV/AIDS, natural disaster, resource degradation, institutional weakness and political instability. It should be recognized that different investment, research and innovation strategies will be required for enhancing the capacity of subsistence agriculture than will be required for more market orientated agriculture. Further the report must address the issue of how to ensure that market orientated strategies do not undermine food security overall or for particular groups or individuals within households. Finally, the report should give consideration to issues of national food sovereignty and the risks for food security that may be incurred by nations being dependent on a highly globalized food system.
- **Innovation Systems:** The WDR must make a strong call for significantly greater investment in public good research and extension. However, the need is for radically new models of knowledge generation and use with a focus not just on research outputs, but on entire innovation systems. This requires multi-actor orientated systems with high levels of involvement from farmers and innovative approaches to extension. Technological innovation must be embedded within processes of institutional innovation and change to

ensure equitable and effective application. The WDR must recognize the limited scope of private sector funded research and call for a massively enhanced international innovation capacity to generate public good solutions to global development issues.

- **Subnational Implementation:** The WDR should make it clear that implementation of much of what is being recommended will be dependent on effective institutions, organizations and processes at subnational scales. New models of responsive and accountable service delivery will be required that utilize the best of what public, private and civil society organizations can offer. Effective processes of decentralization, that enhance accountability and transparency and ensure effective coordination across government agencies and between different levels of government will be critical. The WDR must recognize that a failure to develop implementation capacity at local, district and provincial scales will mean failure of the entire agenda being proposed by the WDR.
- **The Global Playing Field:** The WDR must be explicit and firm about current and potential inequities of global institutional arrangements and trade liberalization that favor agriculture in developed countries. The importance of improving equitable access to markets at national, regional and international levels is accepted as a key to development. However, the assumption that free trade is universally beneficial to the poor in all circumstances should be questioned by the report, as should the impact on food security. A clear global agenda for supporting agriculture for development needs to be articulated by the WDR with a balanced and critical attention to the following five issues: 1) Equitable and pro-poor trade liberalization – access to markets, food security and sovereignty, developed country subsidies; 2) Mitigating the environmental externalities of the global economy and ensuring equitable control over, and access to, natural resources; 3) Enhancing international public good investments in agricultural innovation systems; 4) Improving the effectiveness of aid programs and overcoming the perverse impacts of structural adjustment and foreign debt; and 5) Ensuring that intellectual property rights do not work against the interests of the poor.

Participants made a number of suggestions regarding the WDR2008 messages. Above all it was recommended that the report be adjusted in the sense of becoming more process-oriented than prescriptive. It was recommended that the report give a sense of urgency regarding agriculture and rural development and that it be used to promote a political discussion on the importance and priority of agriculture and rural development. Other suggestions emphasized that institutions be highlighted as a main priority issue. The issue is that traditional sector institutions and organizations are in crisis and that a new wave of them is necessary. The new institutions need be transparent, accountable, participatory, open to multi-stakeholder dialogue and innovative. Other messages emphasized specific issues such as: Right to food, land reform, education, priority to women farmers, support and capacity building for farmer organizations and rural poor organizations, microfinance systems, link between agriculture development and education, HIV/AIDS, power of global corporations, and integrated land and water resource management. They also asked for better definitions to be articulated in the report on what is understood by new and old agriculture.

The very positive engagement of the WDR2008 core team throughout the meeting is a most encouraging sign that the recommendations and suggestions made will be taken into account in the forthcoming WDR publication.

This report elaborates on the process followed, and on the discussion and main messages that participants have emphasized in the civil society consultation meeting. In addition, it contains a series of “boxes” with examples, case studies and other material that participants have submitted after the meeting to exemplify or give evidence in support of arguments made during the consultation meeting.

## 1. Introduction

This report is a synthesis of discussions at the Civil Society Consultation on the World Development Report 2008 (WDR2008). Besides establishing the main objectives and methodology, the report focuses on the main discussion points, some cross-cutting themes and the discussion on the main messages of the WDR2008.

Rimisp-Latin American Center for Rural Development <sup>4</sup> ([www.rimisp.org](http://www.rimisp.org)) was asked to contribute to the preparation of the World Development Report 2008 (WDR2008) on 'Agriculture for Development'. The editors of the WDR2008 and coordinators of its preparation are Derek Byerlee (World Bank) and Alain de Janvry (University of California at Berkeley). Rimisp has been asked to contribute to the preparation of several chapters, and it has done so through commissioning a number of documents available at [www.rimisp.org/wdr2008](http://www.rimisp.org/wdr2008), as well as through regular discussions within the WDR2008 core team. The International Development Research Centre (IDRC, Canada) has provided a grant to support the preparation of the WDR2008 and, in particular, the work allocated to Rimisp. As part of Rimisp's contributions, a consultation with representative world wide civil society leaders with a stake in agriculture, rural development and natural resource management was organized in Toronto, Canada on 25 and 26 January 2007.<sup>5</sup> The Interchurch Organisation for Development Co-operation (ICCO, The Netherlands) has joined IDRC in providing financial support to the WDR2008 Civil Society Consultation that is the subject of this report.

Participants at the meeting came from: Africa (8), Asia (7), Europe (1), Latin America (6), North America (2), International Organizations (6) and the World Development Report Team of the World Bank (4). In total 34 participants were at the meeting. It included 21 men and 13 women. It was comprised of NGO representatives (19), networks (5), farmer and member organizations (4), Universities (2) and international organizations (4). A list of participants is included in annex 1.

## 2. Objective and methodology

The purpose of the consultation was to make specific recommendations to the World Bank about key issues and positions that should be included in the WDR2008. The participants have been selected independently by Rimisp, in consultation with many individuals from civil society organizations from around the globe. The participants were called upon to (a) discuss the WDR2008 Overview document (of 21 December 2006), to (b) identify issues that are either missing or are being inadequately covered, from the point of view of civil society, and to (c) issue specific recommendations to the World Bank to improve the WDR2008.

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<sup>4</sup> Rimisp is a Latin American regional non-profit organization. Its goal is to promote organizational learning and innovation in public and private policies, projects and programs, in ways that advance social inclusion, equity, well-being and vibrant democracies in Latin American rural societies. To this end, it works in close collaboration with individuals and organizations, public and private, national and international, throughout Latin America and the Caribbean.

<sup>5</sup> Rimisp's contributions to the WDR2008 process are directed by Julio Berdegue; the general coordination of the civil society consultation was the responsibility of Gilles Cliche; the preparation of this synthesis report was coordinated by Manuel Chiriboga. All are principal researchers at Rimisp.

From the WDR team the consultation had as its main aim obtaining feedback from representative leaders of Civil Society organizations and specifically to:

- Reassess messages and recommendations in the WDR2008 Overview
- Identify case evidences
- Receive suggestions for implementation of the recommendations.<sup>6</sup>

The methodological process was designed and coordinated by Jim Woodhill, Program Director at Wageningen International. It went from general brainstorming sessions to identify and prioritize the main issues to concentrate on, to their in depth discussion and to specific recommendations to the WDR2008 main messages. To facilitate the discussion, prior to the consultation meeting the WDR2008 Overview document was made available and each participant was requested to produce a one-page document where their main talking points would be flagged. These one-pagers were assembled by Rimisp in a single document and shared with all so that participants could start knowing each others point of interest. Twenty-one participating organizations contributed to this process with their comments<sup>7</sup>.

A draft meeting agenda which reflected the proposed methodological process was also shared with all for comments, before its final version was agreed to. The final agenda is included in annex 2.

The event started with a presentation of the methodology, which included process and proposals on points to be discussed for each issue. The WDR2008 team presented the rationale for the report to all participants, focusing on the WDR main message, the structure of the WDR, three cross-cutting messages, four differentiated policies by pathways out of poverty, the development strategies by country type and global agenda, and the future work the WDR team would focus on.

The WDR team presentation was followed by comments from four panelists reflecting on the diversity of perspectives highlighted in the one-pagers, the WDR2008 Overview document and their own take. Each participant was then asked to define three main issues he/she thought should be discussed in depth. Groups were formed and asked that between two and three main discussion points be identified.<sup>8</sup> Issues could include among others: underlying assumptions, issues not adequately dealt with, the position taken on issues, how the report addresses audiences and realities of implementing the WDR recommendations. A general discussion helped define nine main discussion points, which in turn were discussed in breakout group sessions. The discussions were taken four at a time, with one - main assumptions of the report - not discussed in depth. After each breakout session, plenary discussions let participants ask for clarification or discussed issues mentioned or not by group participants.<sup>9</sup>

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<sup>6</sup> As mentioned by Alain de Janvry in his opening intervention: WDR2008 – Agriculture for Development, Toronto consultation with Civil Society Organizations

<sup>7</sup> The resulting document can be accessed at: [www.rimisp.org/wdr2008](http://www.rimisp.org/wdr2008)

<sup>8</sup> Limiting each group to come up with two or three discussion points could have left out some critical issues such as agricultural labour.

<sup>9</sup> Each breakout group named a note taker, a facilitator and a rapporteur.

The final session has also identified a number of cross-cutting points which were discussed in plenary, as were the main messages of the WDR2008. A number of proposals to adjust messages were also made and discussed by participants. The WDR team answered to those proposals, which were one of the critical contributions of the consultation.

### **3. Establishing the main discussion points**

The four initial panelist presentations served to identify critical discussion points, as perceived by farmer organizations, social movements, and national and regional NGO representatives from Africa, Asia, Latin America and global.

Abby Taka Mgugu of Women's Land and Water Rights in Southern Africa (WLWRSA) identified issues that required more work at different levels: International trade and the impact of foreign food aid on domestic production and food security, the specificity of farmers and pastoralists in Africa, their knowledge systems not only related to production but also to Natural Resource Management was underlined and contrasted with commercial farming and its privatized tenure systems, the need for more investment in rural area as a condition for development, the impact of HIV/AIDS on rural areas and the need for more focus on the importance of women in agriculture. She made a more general point describing the report as too prescriptive and not enough centered on process.

Don Marquez from the Asian NGO for Agrarian Reform and Rural Development (ANGOC) emphasized the need that the report not only captures results from research, but also the rich experience of CSO's and NGO's. He related the crisis of agriculture to the impacts of the green revolution, to rapid urbanization and to the new role of big agri-business brought by trade liberalization. While coinciding on the need to better understand the impact of global trade governance and regime on agriculture (vis-à-vis production and intellectual rights) he emphasized the need to have a development centered on farmers and food security. To that end, land, water and natural resource governance should be under rural people control; and land reform programs should be enacted to assure access of poor farmers to land. As Abby Mgugu, Marquez emphasized that small farmer agriculture is not only a production role, but is a source of knowledge and of culture, which he found absent in the WDR Overview.

Roxanna Barrantes from the Institute of Peruvian Studies (IEP) established three starting challenges for a new agriculture: institutions, human capital and insufficient development of local markets. She also stressed the need that the report puts more emphasis on the importance of rural population living on common resources, such as the Amazon, give more importance to water and discuss the impact of ICT in market and rural development. Finally she underlined the need of having clear messages on territorial development, the need of new institutions, both at national and also at local levels, and to look not only to access to land and water, but also to their use.

Finally Jack Wilkinson from the International Federation of Agricultural Producers (IFAP) emphasized the need to look at the impact of new actors of the food chain on small farmers, to discuss the dwindling support that developed countries give to agriculture and to emphasize the need to not only discuss agriculture production, but the need of a farmer-based agriculture and

food system. He further emphasized that governments need pay more attention to building farmer organization capacities, entrepreneurship and service systems.

The six small (5-6 member) discussion groups formed to define priority discussion points and their plenary discussion finally came out with nine issues that required more discussion on the WDR2008. They were synthesized as:

1. **Supportive global and regional institutions** - governance of trade and free trade agreements, climate change; architecture of international aid and impact on agriculture for development
2. **National policy process**: rural national strategies and the role of donors, development strategies at territorial and local levels, public investment in rural infrastructure and services, the role of the state and other stakeholders (who does what? who is responsible for what?)
3. Development of **entrepreneurial capacity** in the rural economy (agriculture and non-agriculture) – building capacity of farmers to access and compete in markets in a better political, economical and environmental framework
4. **Food security** and food sovereignty and the concept of subsistence farming
5. **Sustainable access and use of natural resources**, in particular land and water
6. **Marginal groups and areas** – does the WDR do justice to them?
7. Development of **actors at the subnational level** – conducive institutional environments and capacities
8. Getting **research and extension** right through partnerships between researchers and farmers organizations
9. The **underlying assumptions and approach** of the WDR2008 – multifunctionality of small scale agriculture; clarify assumptions behind three types of countries – 5 functions of agriculture – 3 strategies (agriculture, labor, migration); looking hard at lessons from the past and why it has not worked. This was defined as a crosscutting issue that should be discussed on each one of the prioritized discussion points.

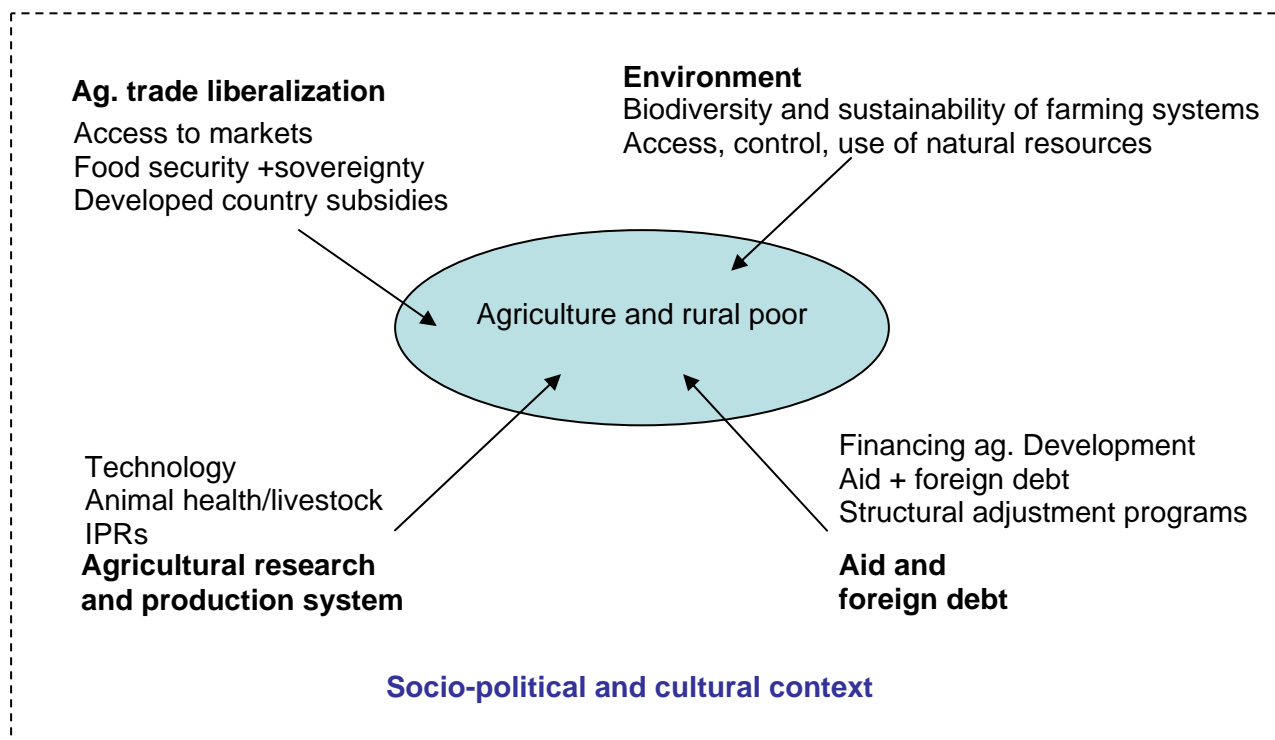
In some of these discussion points there were differences between the WDR team and participants or at least groups of participants. Most notable differences arose around GMO's, biotechnology, trade liberalization, the impact of the green revolution or the definition of new agriculture. This report brings in the results of discussions at the different breakout groups and in the plenary and does not elaborate on such differences.

#### **4. The main discussion points**

##### *a) Global issues and institutions*

Participants in this group emphasized how globalization has meant limiting the authority of the state to make decisions. Specifically the trade regime and the agreement on agriculture of the WTO, encourage reliance on trade for agriculture development, a regime and regulatory framework that favors developed country agriculture and its support system. Reforms of such systems should favor leveling the field, making institutions more transparent and accountable.

The chart below summarizes how globalization impacts on agriculture and the global poor, and highlights three issues: trade liberalization, agriculture research and IPRs.



Trade liberalization should not put at local risk food security – which it should on the contrary enhance. Eliminating subsidies is contradictory, while necessary to level the trade field between developed and developing countries, it could hurt the poor, especially of net food importing countries. At the same time if cheap imports affect food production, households may have cash constraints and be unable to purchase imports; local production can be undermined by inflow of cheaper imports. Trade liberalization should be subject to food security, which should be the main development priority (food sovereignty)

Research on agriculture is critical to agriculture development, food security and biodiversity and poverty reduction, but it needs to be designed to achieve those objectives. To that end involving farmers and rural poor organizations in research design and implementation, will help research results to be more useful. This implies making higher education more accepting of indigenous knowledge. A case in point is that of the Philippines, where research has focused on rice, but no research has been done on typhoon-proof crops (tubers). Finally more funds should be made available to the CGIAR system to undertake such an agenda.

There should be clearer rules on Intellectual Property Rights (IPR) that limit bio-piracy, patenting of indigenous knowledge on crop varieties, establish limitations regarding expiration dates, that are not extended afterwards, through minor changes, and that emphasizes public access to research results. While IPR are necessary to stimulate private research, limitations should be put on monopolizing research data and results to favor increased research.

### *b) National policy processes*

Participants in this group underlined that National Policy implies a process which goes from policy design, to implementation and monitoring and evaluation, and includes resources assignment and capacities of different public and private institutions and organizations to get involved in decision making and being held accountable for the responsibilities they assumed. Critical issues regarding agriculture and rural development are: loss of importance of sector ministries (both resources and capabilities), dissemination of responsibilities among different ministries not necessarily coordinated, and increased importance of sub-national governments and agencies. On loss of importance of line ministries it was noted that they have a diminished power vis-à-vis the ministries of finance, which in turn has meant a loss of human and technical capacities, as budgetary sources have dwindled. In turn diminished capacities have pushed for lesser effectiveness which in most cases has implied further cuts in budget assignments. The dispersal of responsibilities on rural affairs among ministries and agencies seem to have implied loss of effectiveness across the board. A new institutional and organizational system for agriculture and rural development needs to be defined and it needs have a political support from the Presidents or Prime Minister Offices, as to articulate a clear message of high priority. This requires also that the role of the public sector be better defined: Is it only regulatory? Is it responsible for some public goods? Is it a facilitator? Or is it a development promoter? If it is regulatory it should have a clear pro poor rural perspective.

Participants in the group largely supported decentralization as an institutional change in the right direction. It facilitated consultation, participation, multi-stakeholder perspectives and accountability to rural people. It is there that many participants identified a number of progressive experiences on stakeholder involvement and accountability. Nonetheless the relative weakness of local governments must be considered and should entail capacity building to address main constraints. In contrast, experiences at national level have been mostly frustrating, as in many of the PRSP processes.<sup>10</sup> The role of governments remain central as only national governments have the “legitimacy” to discuss for instance regulatory reforms with donors (exp. PRSP with World Bank). In that context, government will need support to facilitate the decentralisation process. In addition, all stakeholders would need to be supported to be equal partners with the government and to carry out their new functions in a decentralised system.

A linked issue regards who sits at the table when policy discussion is opened? What is the strength and capabilities of farmer and civil society organizations? How accountable are they themselves? How democratic are they? Governments have questioned representation on these bases. Some had doubts on the importance of private sector participation, as it can push strongly for agro-export, agro-business perspectives only, if not balanced by strong representation from small farmer organizations. Formal representations by formal groups have left aside participation by the poorest rural sectors, women, indigenous peoples, etc. A clearer definition of Civil Society is required to guide policy definition processes.

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<sup>10</sup> The discussion on the role of the state was very much Africa focused and there is a sense that a reflection on other developing regions is needed.

Stakeholder participation in agriculture cannot be limited to rural actors. Best practices entail participation on policy discussion and design, of actors involved in the value chain, all the way from input providers to consumers.

Participating in and leading policy processes require a significant set of skills and capacities, both at the governmental level: national, regional and local agencies, but also for private sector, farmer organizations and civil society. This greatly enhances the quality of policies. Access to information and capacity to use it, was mentioned as a cornerstone for policy design.

### *c) Entrepreneurship – development of entrepreneurial capacity*

The issue was defined as promoting entrepreneurs and an environment in which entrepreneurs can prosper: entrepreneurial governments, organizations, individuals. It was mentioned that agriculture as any other business requires of individuals and organizations that can put together resources and inputs, influence the environment in which they live and capture opportunities, while diminishing risks. It was underlined that this is not an option for all farmers and some participants questioned if this was a priority in a context in which all small and poor farmers require government support.

To ensure a friendly environment for small farmer entrepreneurship, reform of the institutional framework – financial systems, contracts, arbitration, input markets, competition, fair trade policies and anti trust laws, etc. – has to be assured. Public incentives were mentioned as a tool to assure that medium and large business search links with small farmers, but more research has to be done to identify which are the more conducive. A critical issue stressed was the importance of education, both basic and technical, were business skills have to be enhanced in the learning process.

The importance of entrepreneurship was synthesized in the following headlines:

- Expanding the entrepreneurial capacity of small holders is critical to the agriculture for development agenda. A very large proportion of small scale farmers can operate efficiently and successfully in increasingly dynamic and competitive markets. It has been done, many examples and models available.
- This is an option that is not feasible for all small farmers, and public policy cannot focus only on the sector with more potential because in doing so it would certainly exclude many and in some countries the large majority. Differentiated policies are needed to support the livelihoods of poor and very poor farmers and those in marginal areas. Policies need to be transparent to avoid discrimination. The role of this strategy depends on the country (typology).
- The market acting alone will screen out many small holders with this kind of potential. Public policies are essential to create opportunities for the poor and extend entrepreneurship downwards.
- But entrepreneurship cannot flourish in the absence of product, financial, and land and water markets. Better markets that are not stacked against the poor are also required.
- Governments and donors should draw policy implications of successful experiences at local level in order to build strategies at national and regional levels. In addition, each

stakeholder should play a key role in building these strategies e.g. Governments, donors and farmers 'organisations.

- Entrepreneurship, even amongst smallholders, needs to be understood from the context of the households' livelihoods, diversification and risk management and decision making (on and off farm income among household members).
- Strategies need to be deployed sequentially so that early success creates greater learning and other opportunity for further progress. It has to be deployed regionally and in the context of territorial development processes acting on the institutions, the markets, the infrastructure, the public services and the capacities of the emerging entrepreneurial class

Finally it was mentioned that there is a significant number of successful experiences undertaken by rural development, community development and NGO and CSO projects that show the significance of this line of work. More has to be done regarding conditions for up-scaling and developing learning approaches, adding value to local and non-local experience.

#### *d) Food security and subsistence agriculture*

Food security should be analyzed both at the household and at the national level. Most farmers are involved with markets, subsistence farmers in the sense of being able to produce autonomously all their needs have all but disappeared. Completely specialized commercial farmers use part of their cash income to buy food in markets, but in some cases they are prone to food crisis, when prices fall, harvests are not ready or consumer prices increase. Many farmers are able to produce a proportion of their food requirements while at the same time producing for markets or working in other sources of monetary income: as laborers, petty traders, handicraft producers or receiving cash transfers from migrated family members.

Rural households are food secure when they are able to produce an important percentage of their food intake, as they can reduce risk due to market crisis, have a more balanced diet to meet their nutritional requirements, reduce transaction costs (food kilometers) required to buy food and even assure a continuous flow of foods, regardless of monetary income cycles. While cash crops and other sources of monetary income are important to buy what is not produced at the farm, this cannot eliminate the need of producing food crops for family consumption. Policy should consider incentives to farmers to grow their food requirements.

In reality a considerable proportion of rural families are food insecure and insecurity affects in most cases in a differentiated way family members. Women and young female and senior members tend to receive proportionally less food than male members. Changing this situation should be a policy priority. At the family level monetary income, food production and availability of food in local markets are key in reducing insecurity. While monetary incomes could require cash transfers from governments, when employment is not readily available or there is physical or skill limitations, governments should support food production. Diversified food production can be achieved through technical and services support, training or seeds. Women who often are responsible for food plots should be focused.

The prescriptions given in the report needs to factor in the realities of the rain fed farming, and the different strategies that are needed to address agriculture in such areas. One-size fits all approach is not the panacea for the current agrarian crisis around the world. This should be viewed with

reference to South Asia in the point 78 of the Overview document, which prescribes extension of green revolution to those areas where it has not reached. This is fraught with skepticism especially at time when there is general circumspection about the benefits of green revolution and the Indian government has now put “evergreen evolution” on its agenda. Likewise, the issue of crop diversification (including high value crops) for small landholders has remained a challenge that is confronted with limited options and resources, which can help diversification. Crop diversification is not easy especially when it is market oriented. The question, which remains to be seriously addressed, is “who is driving the diversification”. Is the diversification prompted/defined by market or is it the choice of producers and consumers. Leaving the market to take on the process of diversification is beset with problems when dealing with small-scale landholders in rain fed conditions. The other aspect of developing strategies is to keep the agro-climatic zones in mind while planning the strategies for agriculture (including diversification) with right mix of policies rather than one size fits all approach.

A different level of food security is country or national, some times known as food sovereignty. Achieving food self sufficiency should be considered a desirable long term objective, although this should be seen differently between land locked or small island states with limited natural resources, which generally are net food importing and richly endowed net food exporting countries. As a matter of fact these countries have different positions regarding issues such as international trade, food aid and developed country subsidies. Food sovereignty should also consider environmental issues in deciding production systems and pace of trade liberalization or protection. Nonetheless it is important that each country or – preferably – each region or sub-region have a policy space on food security.

Food Aid must be analyzed with care. While it is important in moments of natural disaster and civil war, dependence on it for food turns away attention from structural development, as it affects negatively prices on local markets and incentives for producers. Food aid policies of food donating countries should be studied and alternatives identified.

#### *e) Sustainable access to, and use of natural resources*

Land is basic for the discussion of Natural Resources, as limited or no access to it by rural people, means poverty and migration to cities. Having no or limited can - under certain circumstances - result in environment deterioration, as the poor use resources to survive. When communities have access to land, both biological management practices (e.g. selective harvesting, replanting, protection of scared grounds, etc) and social relations (community structure, rituals, etc.) that aim to sustainability, generally govern the access and use of NRM within communities. Land at the same time is a source of conflict over access and use, between competing interests: industry, mining, agriculture, between rich and poor farmers, between indigenous peoples and settlers, etc.

Access to agro and nature biodiversity is vital to peoples livelihood strategies by providing: (i) food security through options on which crops to grow depending on climate, labor and market variables, (ii) a safety net through a variety of medicines, dietary supplements and additional sources of income, and (iii) risk management through diversification of sources of income, reducing vulnerability to crop failures, and relief during seasonal hunger and environmental stress and disasters.

Tenure which can be seen as a basis for continuous and secure access to and use of land has been directed to individual rights and WDR takes that perspective. Common property systems which vary in characteristics but are extended throughout the developing world must be addressed by the report. This implies recognizing different types of tenure: individual ownership, state ownership, community owned, indigenous people owned, etc. There was a perception amongst participants that the concept of “best use of land” should be questioned, as there is a sense that the WDR promotes land markets over land reform and that it privileges commercial uses vis-à-vis other possibilities. Size of land depends on livelihood strategies of households in a poor family perspective, which is different to size related to a more commercial competitive view. The need of an associated institutional framework related to different tenure systems should be highlighted.

The group also discussed the issue of access to and uses of water. The group recommended the need to better analyze dimensions of water sharing at international and national levels. Privatization of water was seen as a source of conflict; as business oriented groups have better capabilities to assure rights to water than the poor. This does not mean that legislations do not need to be reformed, as much of it is outdated or as in Africa where water legislation was decreed in the colonial period. Integrated land and water resource management approach with farmer organization participation was a privileged perspective for participants as it inserts water on a more sustainable perspective. This requires a better coordination and harmonization of other cross sectoral policies, such as policies regarding: irrigation, drinking, hydroelectric, industrial, mining, etc. Finally the group discussed the increasingly problematic issue of water pollution.

#### *f) Marginal areas and marginalized peoples*

It is important to distinguish between marginal and marginalized areas and between these and marginalized rural people. Marginal areas are a result of lack of investments in infrastructure and the absence or weakness of local institutions, while marginalized areas result from socio-historical processes whereby specific territories are marginalized through the impacts of public policy. Marginalized people are the result of discrimination because of specific social characteristics, such as race, ethnic origin, and gender, the effects of disease such as HIV/AIDS or geographical location. While in most cases marginalized areas are inhabited by marginalized people, in many non-marginal areas, specific groups of people can become marginalized.

This marginalization can be based political, economic, social, environmental, or institutional dimensions, but a common feature is being left out of decision-making processes affecting people’s lives and economic activities. Marginalization is a social process, sometimes of colonial origin, which has the capacity to produce lasting effects through intergenerational transmission, e.g. educational results in marginalized and marginal areas which are way below those obtained by children in cities.

In many developing countries significant percentages of rural people live in marginal and marginalized areas, or are marginalized people. Policies and programs directed to them have had scant results and trickle-down approaches have increased the degree of marginalization. Because this is a result of socio-historical processes, escaping exclusion requires a multi-dimensional and

multi year process, which attacks the specific causes of marginalization and entails transfers of resources from non marginalized areas or actors. This requires the efforts of different actors at different levels, networking together to produce change. Because of this, governance issues are critical, to assure participation of all stakeholders and the marginalized themselves in an accountable and democratic decision-making process. Otherwise there is the risk that local elites capture the development process for their exclusive benefit.

In many marginal areas of developing countries, the ecology is vulnerable, agriculture is only a part of a complex livelihood systems and improving people's livelihood security requires a multi-livelihood route (governance, democratization, and pluri-activity). Small-scale agriculture cannot be seen as the only activity of concern, as it often combined in different proportions with livestock and pastoral activities, forestry and fisheries, which are only some of the income and self food production activities, manifold combined with migration, petty trade, handicrafts, service provision and the like. Agriculture is still critical to livelihoods in these areas, but other resources such as the environment, cultural heritage, handicrafts, and historical heritage can also play critical roles in development and should be targeted. Reducing the variability of agricultural production and strengthening resilience, are important and should be promoted by the WDR.

Another type of marginalized area is one where there is potential for agriculture, but because of the lack or weakness of institutions they are marginal. In this case agriculture and livestock can be a significant strategy to overcome poverty. In this case the most important issue is institutions. Structural adjustment programs wiped out state institutions and underestimated the capacity of the private sector, which has not stepped in. Extension, credit, infrastructure, markets and viable prices, trade is missing. Infrastructure can greatly improve the marginalization of those isolated. In areas such as these where agriculture has potential, and is the only viable economic activity, it is also important to ensure that it is viable to produce, otherwise such people are condemned to welfare cases. Institutional arrangements are needed at all levels to ensure this can be achieved.

#### *g) Subnational level institutions, organizations and processes*

For agricultural and rural development to take place there is the need of effective institutions at sub-national level. This includes at least three sub-levels: province/region, local government and community. The provincial/regional level includes institutions and organizations, such as provincial governments, associations or commonwealths of local governments and NGOs. At the local government level we see government agencies and municipalities, producer organizations, microfinance institutions and coops and NGOs. This is normally the lowest level of government management of budgets and services, and is a critical interface between government policy and the demands from community level. Finally at the community level you normally find coops, credit unions, village committees, producer groups and organisations and traders.

Issues that should be faced at each level include:

- At **Provincial level**: lack of coordination between departments and management of common productive resources e.g. water management.
- At the **local government level**: need for decentralisation of simple services to local government, lack of coordination between local government and other departments, lack of clarity on roles, power and functions of each institution, level of budget autonomy, and

responsibility regarding services delivery, capacity of producer organisations to engage and poor information flows.

- At the **community level** issues are lack of information, service gaps<sup>11</sup> (e.g. extension), lack of basic services, limited infrastructures (e.g. water, electricity) and lack of commercial structures, trades in monopoly situations, and insufficient price information.

Participants defined key messages for each level.

- At the **provincial level** has a key role of strategic economic driver, including with regard to the agricultural sector, and with the administrative capacity of its own.
- At the **local government level**, messages include the need to strengthen role of local government for delivery of public goods, basic services, planning, coordination, funding (management of CDD), filling the gap on market infrastructure, financing, producer organisations, outsourcing, and strengthening RPO for services and interaction with this level of government. It is key to ensure that this level is held accountable, thus minimising corruption and promoting responsiveness;
- Key messages at the **community level** focus on strengthening structures (administration and PO) to plan and implement development, to hold government accountable, for institutional innovation, for community-based service provision and for civic education about rights and opportunities for groups such as women, youth, and poor farmers. There is room for institutional innovation about such systems, which is important for CDD-type approaches to be effective, and for services to actually reach into poor and marginalized communities.

There is need for strengthening existent institutional structures especially those of local self-governance, which are elected by people and mandated by the government to undertake development. The tendency to set up new institutional structures (users groups, common interest groups, etc.) in many projects funded through mechanisms such as bilateral/multilateral framework and development cooperation projects has pitched fork these institutions against the institutions of local self-governance.

Finally the group identified some crosscutting messages for all levels and organizations:

1. Accountability at all levels, linked to clear responsibilities (names, terms of reference, budgets).
2. Building capacity at all levels, both for public & private (business, CSO's, farmers).
3. Strengthen existing structures, avoiding parallel mechanisms, and duplication. Building on what exists.
4. Improving information flows.
5. Promoting a culture of participation, accountability.
6. A basic consideration: some people "do not exist" in the eyes of the state, not having a national ID and thus excluded from voting, social grants etc, and should be the focus of policies designed to integrate them.

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<sup>11</sup> Note in many parts of Africa, apart from primary schools most government services do not reach the village, and communities in fact provide many of the services to each other, hence the importance of exploring community-based service models (e.g. Box on LRAP in annex 3).

### ***h) Research and extension***

Innovation is crucial, given the growing complexity of agricultural development, the speed of change, the scale of the challenges that agriculture and farmers face. Public support for innovation systems including research and extension is a crucial part of any agriculture for development strategy, along with a healthy private sector contribution. The world is seeing a serious erosion of the capacity to generate public good solutions to crucial international development issues. The private sector will not fill all the gaps and it is in the common interest to sustain diversity of sources of innovation (public and private). There is an urgent need to reverse the trend of private centered research.

Any country's agricultural sector needs the flexibility to accommodate different kinds of innovation systems to deal with different realities at different scales – from 'farmer to farmer' to globally linked formal systems. Plurality of actors in the innovation system is a condition for effectiveness: innovation is not only for researchers and extension agents; e.g. private sector, NGOs, farmers' organizations, can all be sources of innovation. There is the need to invest in developing inclusive approaches that integrate farmers' innovative capacity (farmers involved in agenda setting and implementation, capacity to articulate and voice demand, and to integrate indigenous knowledge for generation of new technologies, new ways of NRM, etc.)

Most donor investment has been in research, while much less has been given to extension. In practice in most areas it is in extension where the real problem lies: lots of technology already available that is not being used because of limitations of extension or deficiencies on coordinating research and extension or hierarchical relations between researchers and extensionists. There is need to closely link research and extension, with multi-actor action oriented knowledge systems, strong coordination between research, extension and farmers. An effective R&E system needs real links to farmers and farmer organizations and lots of field work. For this to work, closed research governance systems have to be opened.

It is important to acknowledge that agricultural extension has been very weak in many countries, hence the need to innovate e.g. around community-based approaches (e.g. farmer extensionists), around greater accountability, about community-based purchasing mechanisms or about community accountability mechanisms such as agriculture forums.

### ***i) Main assumptions of the report***

While there was not a group that focused on the assumptions and framework of the WDR2008, comments on the different groups and plenary discussions suggested that these should be made more explicit than they are now. It was also recommended that they be tested, for example the three pathways (farming, labor & migration) need be analyzed within a rural development framework for their impact on food security and the role of poor farmers.

The WDR2008 Overview was thought to be too narrow and sectoralist in its focus only on agriculture. The approach taken by the *Beyond the City* report, on the rural sector more broadly is advisable.

## **5. Some cross-cutting discussions**

### ***a) Food security and markets***

Participants discussed the relation and trade-offs between food security and more open markets. Even though there was no fundamental opposition to exports and more open markets, the emphasis of the discussion highlighted the need to design strategies to assure that food security not be put in jeopardy and that impacts on poor farmers be limited especially where there are no economic alternatives to agriculture. Regarding food security it was thought that voluntary guidelines on Right to Food be considered, that food security not only is related to production, but also to access to food and that the capacity of States to deliver on internal policies be introduced.

Regarding impacts on producers, the discussion emphasized the close relation and the need for stronger coordination between trade policies and agriculture and rural development policies. These have to be related from the onset, not waiting for impacts to happen and be paced in such a way as to help small farmers adjust to more open markets. Border protection on sensible products should be phased out during a time framework that considers price distortion on international markets and time required for developed countries to reduce substantially their agricultural subsidies and to support the transition of producers to higher productivity or towards new dynamic products.

Trade liberalization will require national discussions amongst all stakeholders regarding both pace of liberalization and pace and significance of support systems to people hurt by liberalization. Issues that should also be considered are how to prevent that compensation schemes becoming permanent. Complementary agenda and technical assistance plus training, are a very important dimension, as is the need to develop local markets and linkages. Building capacity of farmer's organisations to access market under support mechanisms should be a priority, as to assure that individual small farmers can capture the new opportunities opened by extended markets.

### ***b) Gender***

Women issues have to be brought to the main concerns of agricultural and rural development discussions and to the WDR2008 as they are central to all development perspectives. There is need to empower women to have leadership roles – a proactive statement, both on the public sector, but also on rural producer organizations. We need hard recommendations beyond recognition of the need to do more (e.g., quotas and affirmative action in rural technical schools and in microfinance need to give them more resources, more credit, more land, including them in land reforms.) In that context, how to assist women in order to build their capacity and promote development strategy within a country in an integrated approach should be the key question. A chapter on women and gender on the WDR is highly recommended, using the papers commissioned.

Farmer organizations at regional and national levels are male-dominated. At the same time it is necessary to know what are the results of the pro-women land reform that took place in countries such as Colombia and El Salvador. What happens when you favor women systematically, what

are the outcomes? It is also needed to know more on inheritance regimes. Specifically the need of including gender in the pathways models of the WDR was mentioned.

*c) HIV/AIDS*

Africa and Asia are most affected and these are also where most small holders are located. It is important to visualize how we can use agriculture to mitigate HIV/AIDS? At the same time HIV/AIDS is having a large impact on e.g. land tenure, land intensification, labor markets, women participation and so on. In many markets a lack of workforce because of its presence is observable. The WDR is almost silent on the issue of HIV/AIDS, which affects a large part of the rural population in the developing world

*d) Universities in agricultural research and extension*

Linking universities to agricultural development was mentioned as a key issue. This does not entail only technological issues, but the need to link to business departments, sociology, ICT, territorial development and geography schools. This was seen as areas of great potential for developing a new breed of agriculturalists to get this agenda moving. This requires though, modifying the curricula which in many universities are outdated.

*e) Financing agriculture*

Strong support was mentioned for the WDR argument that microfinance is not enough and that the private sector has not moved in. There is the need to rethink the role of the state, in new ways – not going back to old type state banks, but on support and guarantees systems for private, coops and other organizations involved with financing.

*f) Adjusting the messages*

Participants in a plenary session made a number of suggestions regarding the WDR2008 messages. Above all it was recommended that the report be adjusted in the sense of becoming more process-oriented than prescriptive. A participant suggested: “Messages packaged as practical ideas for targeted audiences to test.” Another main suggestion was the need to link agriculture and rural development to development as such, as the main message to be delivered. A participant suggested for the main message: “Use agriculture as an instrument for a decentralized and inclusive social and economic development”. Another participant stressed that agriculture has not been given the chance to maximise its potential in order to contribute to the poverty reduction in many countries. The main reason for that is that farmers’ problems have been ignored so it is time now to go backward and build agricultural and rural development strategies based on a “farmer-centered” approach in order to give a better chance to agriculture to contribute to the alleviation of poverty.

Finally it was recommended that the report give a sense of urgency regarding agriculture and rural development. At least two participants thought that the main message be: “Act now!” Another suggested: “Wake up!” They suggested that the WDR2008 be used to promote a political discussion on the importance / priority of agriculture and rural development.

A group of suggestions emphasized that institutions be highlighted as a main priority issue. The issue is that traditional sector institutions and organizations are in crisis and that a new wave of them is necessary. New institutions need be transparent, accountable, participatory, open to multi-stakeholder dialogue and innovative.

Other messages emphasized specific issues such as: Right to food, Land Reform, education, priority to women farmers, support and capacity building for farmer organizations and rural poor organizations, microfinance systems, link between agriculture development and education, HIV/AIDS, power of global corporations, and integrated land and water resource management. They also asked for better definitions to be articulated in the report on what we understand by new and old agriculture.

## 6. Recommendations in a nutshell

The following recommendations, presented by issue category, are an effort of the meeting organizers to highlight some of the key messages that have been made during the civil society consultation. They do not however necessarily or always represent a consensus among the participants, nor do they claim being comprehensive and inclusive of all the messages made at the meeting.

- **Entrepreneurship:** The WDR must more clearly recognize the importance of entrepreneurial capacity and a supportive entrepreneurial environment for small scale rural producers. This recognizes that market driven development can be significant to overcoming rural poverty. Enhancing entrepreneurial capacity will require significant investments from the public, private and civil society spheres. Further, the state has a critical role to play in fostering an institutional framework – financial systems, contracts, arbitration, input markets, and competition and anti trust laws – that is supportive of small scale entrepreneurship. Much can potentially be achieved in this regard through public private partnerships; however the state must put in place the right incentive mechanisms for private sector support and investment and be prepared to fund the business development services which are critical if small businesses are to be created and to grow. However it must also be clearly recognized that entrepreneurship will **not** be a route out of poverty and food insecurity for a very large proportion of the rural poor. Consequently differentiated policies and strategies for different groups of the rural poor will be essential.
- **Marginalization:** The reality of marginal areas and marginalized groups and the need for special national and international attention for such areas and peoples requires greater attention in the WDR. For such groups the weakness of local institutions (eg for marketing and extension), poor natural resources, limited infrastructure, limited access to services, health conditions, low levels of education and social and political inequality, and low prices for agricultural commodities, severely constrain their ability to engage in new market opportunities. Without special attention such areas and groups will become further marginalized from the mainstream of economic development. The WDR needs to be specific about the underlying assumptions of how marginalization is to be tackled at international and national scales. This is a particular concern for much of Sub-Saharan Africa where current prescriptions are woefully inadequate, agriculture is the only possible route out of poverty

and where a realistic analysis of the agricultural system is needed to enable pro-poor agricultural growth.

- **National Policy Frameworks:** The WDR should be extremely clear that many of the actions required for agriculture to become a more effective driver of development are dependent on creating and **implementing** supportive national policy frameworks. Such frameworks need to address public investment, service delivery, creating supportive legal, taxation and other institutional arrangements, rural education and health programs and cross ministry coordination. The reality must be recognized and addressed that many agricultural ministries are under-funded, lack capacity, are poor in delivering their mandated services and weak in influencing the overall national policy and expenditure priorities. However, it is also critical to understand that agriculture for development today requires very different thinking about the role of the state than in the past. In particular it needs to be one of creating enabling conditions for inclusive, equitable and sustainable development. To do this requires close and constant engagement with all relevant stakeholders and transparent and accountable processes of decision making. In this regard the voices of the poor and marginalized must be heard and responded to in formulating national policy frameworks. Much need to be done to develop representative, democratic, accountable and competent producer organizations that can engage effectively with policy issues at local and national levels, as well as effective participatory planning systems that bring the voices of communities into mainstream planning and resource allocation processes. National policy needs to be implemented through effective processes of decentralization where government is held accountable through open and participatory processes of planning, budgeting and expenditure monitoring.
- **Access to Natural Resources:** The WDR must clearly focus on the critical issue of the poor gaining secure and equitable access to natural resources if they are to contribute to and benefit from a new agenda for agriculture. It must be recognized that this is a highly complex and politically difficult issue that will require skilled policy intervention and careful negotiation. The WDR must be careful not to promote a form of “best use of land” and land and water market reform that will work against the interests of the poor. This said it is recognized that much structural reform will be required to cope with the demographic changes in rural areas and to enable small scale producers to develop competitive scales of operation. The WDR should recognize the diversity of common property systems characteristic of the developing world, and not advocate a single form of tenure system. Protecting the productive capacity of agro-ecosystems must be clearly argued by the report as foundational to Agriculture for Development. Further there needs to be clear recognition of the significant market failures that lead to over exploitation of natural resources and a clear agenda for how these market externalities can be overcome.
- **Food Security and Subsistence Agriculture:** The WDR must ensure a balanced perspective on food security and subsistence agriculture within the context of more market orientated approaches to agriculture for development. Fewer and fewer people are now solely dependent on subsistence agriculture and many households have more diversified livelihood strategies. However, subsistence agriculture will remain critical to food security for a vast proportion of the rural poor for the foreseeable future, particularly in Sub-Saharan Africa. Consequently the WDR must propose clear strategies for achieving food security in the face of climate

change, population increase, the human resource consequences of HIV/AIDS, natural disaster, resource degradation, institutional weakness and political instability. It should be recognized that different investment, research and innovation strategies will be required for enhancing the capacity of subsistence agriculture than will be required for more market orientated agriculture. Further the report must address the issue of how to ensure that market orientated strategies do not undermine food security overall or for particular groups or individuals within households. Finally, the report should give consideration to issues of national food sovereignty and the risks for food security that may be incurred by nations being dependent on a highly globalized food system.

- **Innovation Systems:** The WDR must make a strong call for significantly greater investment in public good research and extension. However, the need is for radically new models of knowledge generation and use with a focus not just on research outputs, but on entire innovation systems. This requires multi-actor orientated systems with high levels of involvement from farmers and innovative approaches to extension. Technological innovation must be embedded within processes of institutional innovation and change to ensure equitable and effective application. The WDR must recognize the limited scope of private sector funded research and call for a massively enhanced international innovation capacity to generate public good solutions to global development issues.
- **Subnational Implementation:** The WDR should make it clear that implementation of much of what is being recommended will be dependent on effective institutions, organizations and processes at subnational scales. New models of responsive and accountable service delivery will be required that utilize the best of what public, private and civil society organizations can offer. Effective processes of decentralization that enhance accountability and transparency and ensure effective coordination across government agencies and between different levels of government will be critical. The WDR must recognize that a failure to develop implementation capacity at local, district and provincial scales will mean failure of the entire agenda being proposed by the WDR.
- **The Global Playing Field:** The WDR must be explicit and firm about current and potential inequities of global institutional arrangements and trade liberalization that favor agriculture in developed countries. The importance of improving equitable access to markets at national, regional and international levels is accepted as a key to development. However, the assumption that free trade is universally beneficial to the poor in all circumstances should be questioned by the report, as should the impact on food security. A clear global agenda for supporting agriculture for development needs to be articulated by the WDR with a balanced and critical attention to the following five issues: 1) Equitable and pro-poor trade liberalization – access to markets, food security and sovereignty, developed country subsidies; 2) Mitigating the environmental externalities of the global economy and ensuring equitable control over, and access to, natural resources; 3) Enhancing international public good investments in agricultural innovation systems; 4) Improving the effectiveness of aid programs and overcoming the perverse impacts of structural adjustment and foreign debt; and 5) Ensuring that intellectual property rights do not work against the interests of the poor.

## **7. Final comments**

The final plenary session included statements and responses from the WDR2008 team. They emphasized that they found no critical major differences. They highlighted the emphasis put by participants on process and policy process, not only on recommendations. They also recognized the need of thinking more thoroughly the role of different actors, not only entrepreneurs, but also of farmers not served by markets and private sector. They thought they would receive more ideas on how to mainstream the gender issue and asked for follow up with good examples.

A dilemma that the team faced was on how to achieve a good balance between the generic level and its framework or put more emphasis on specific messages such as gender, national policy process, marginal areas and food security. The other clear lesson that came out of the consultation was the sense of urgency: the “act now!” message, as the cost of inaction is too high.

The WDR team asked participants to monitor the report, as the second draft, called the yellow cover, will be made public in April 2007. The overview will be presented in at least three languages, English, French and Spanish, to facilitate discussion and comments. They asked to come up with them and suggestions for boxes. Regarding the boxes, a number of them were suggested by participants on areas such as entrepreneurship, marginalization, national policy processes, research and development and extension, sub national institutions and organizations, land tenure, food security, education and global issues.

## **8. Closure session**

The ICCO representative mentioned that they appreciated being involved in the WDR process, and it is important for the WB to listen to civil society. She recognized that even though it would have been important to have a broader group, participants were representative of developing regions from the south. For a northern NGO such as ICCO playing the broker is an important role: supporting southern voices in a discussion with multilateral organizations, such as the World Bank.

The IDRC representative highlighted the quality and dedication brought to the process by the Rimisp organizers. He mentioned the sense of urgency and depth of the challenges we face as humanity, with all the pressure we are putting. Coping with this will require paradigm shifts in the agriculture area. It is important to question if the agriculture sector is an economic activity or a social setting of a broader process.

Julio Berdegué of Rimisp thanked the participants for their serious contribution to the consultation and asked them to follow up, monitoring the WDR process. He finally wished them a safe trip back home.

## **9. Consultation report production process**

A calendar and specific steps were agreed by participants regarding the production of the consultation report:

- A first draft report was produced by Rimisp and distributed to all the participants on 3 February 2007
- Participants were required to comment on the first draft by 9 February 2007
- Participants were requested to provide by 12 February 2007 examples with full bibliographic reference – in “boxes” - that could sustain or further exemplify issues raised at the meeting<sup>12</sup>
- A second draft report was produced by Rimisp and distributed to all the participants on 12 February 2007
- Participants were invited to make comments on the second draft by 15 February 2007; those who have chosen to do so have their comments included in annex 4.

The final report was produced by Rimisp and distributed to all the participants on 19 February 2007; it was also sent to the WDR2008 team and posted on Rimisp website [www.rimisp.org/wdr2008](http://www.rimisp.org/wdr2008)

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<sup>12</sup> The “boxes” are included in annex 3 of this report

## Annex 1: List of participants

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## Annex 2: Meeting agenda

### World Development Report 2008: Agriculture for Development WDR2008 Civil Society Consultation Toronto, Canada, 25-26 January 2007

#### AGENDA

Day/Time	Topic	Presenter	Facilitator
<b>Thursday 25 January 2007</b>			
7:30 – 8:30	Breakfast		
8:30 – 8:45	Knowing each other	All the participants	Jim Woodhill
8:45 – 9:00	Meeting objectives, agenda, and expected results	Julio Berdegué, Rimisp	
9:00 – 9:45	WDR2008 presentation: scope, issues, process.	Derek Byerlee, Alain de Janvry., WDR2008 Coordination Team	
9:45 – 10:30	Panelist comments (Four panelists, one each from Africa, Asia, Latin America and Global)	1. Abby Mgugu (WLWRSA) 2. Don Marquez (ANGOC) 3. Roxana Barrantes (IEP) 4. Jack Wilkinson (IFAP)	Jim Woodhill
10:30 – 11:00	Coffee break		
11:00 – 12:30	Brainstorming session to identify key issues either missing or inadequately covered in the WDR2008 Overview document, from the perspective of civil society		Jim Woodhill
12:30 – 14:00	Lunch		
14:00 – 15:00	Brainstorming session continues		Jim Woodhill
15:00 – 15:30	Breakout groups discussion		Selected by each group
15:30 – 16:00	Coffee Break		
16:00 – 18:00	Breakout groups discussion continues		
19:30	Dinner Reception		
<b>Friday 26 January 2007</b>			
7:30 – 8:30	Breakfast		
8:30 – 9:30	Breakout groups reports	Group Rapporteurs	Jim Woodhill
9:30 – 10:30	Breakout groups discussion continues		
10:30 – 11:00	Coffee Break		
11:00 – 12:30	Breakout groups discussion continues		
12:30 – 14:00	Lunch		
14:00 – 16:00	Breakout groups reports	Group Rapporteurs	Jim Woodhill
16:00 – 16:30	Coffee Break		
16:30 – 17:30	Closing presentation by WDR2008 Team on the basis of recommendations	Derek Byerlee, Alain de Janvry. WDR2008 Coordination Team	Jim Woodhill
17:30 – 18:00	Timeline and process for meeting report production	Manuel Chiriboga, Rimisp	
18:00 – 18:15	Closure	Stineke Oenema (ICCO) Simon Carter (IDRC) Julio Berdegué (Rimisp)	

### **Annex 3: Boxes proposed by participants**

The following boxes were proposed by participants at the meeting and submitted through them post-meeting to exemplify and to highlight material contributing to points raised in the discussions. They are organized by meeting issue category, and assembled unedited and as submitted by the participants. It is important to note that these are case examples made available at short notice that therefore do not fully reflect the scope of the work of participants. There is a bearing too on the complications and/or lack of systematic documentation in the field (lack of some level of uniformity of documenting local people's work to permit across the board comparison and scales; as well as complications of documentation of processes). At the consultation meeting, participants were asked to submit what they had available even if not perfectly documented.

### **GLOBAL ISSUES**

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#### **Intellectual property rights (IPR)<sup>13</sup>**

Food, agriculture and biodiversity, as IPR-related issues, are closely related. Apart from the TRIPS-related interrelationships, they are also the subject of three very important international agreements, whose coverage overlaps to a significant degree. These are the Convention for the Protection of New Varieties of Plants (UPOV Convention), the FAO International Treaty on Plant Genetic Resources for Food and Agriculture, and the Convention on Biological Diversity (CBD).

One of the main issues raised by current debates on IPRs – particularly in the context of their impact on developing countries – is the consequences that legislation protecting such rights may have for food security. In the developed world, plant breeders have generally sought IP protection for new plants – including new foodstuffs – through plant breeders' rights (PBRs). The point at issue is whether the international acceptance of common standards of PBRs through the UPOV Convention, initially developed to meet the conditions in the advanced industrialized countries, may have the effect of undermining the food security of communities in developing countries, as it is often argued. Beyond the specific debates about PBR, there are concerns that strengthened IP protection to plant varieties (whether through patents or plant variety protection) contributes to further privatization of the genetic material needed for research, privatization of agricultural research itself, an increased concentration of breeding materials, research tools and technologies in the hands of a small number of giant corporations, and the shrinkage of nonproprietary public sector research.

For the many developing countries that are important commercial producers of agricultural goods, food security is far from being the only agricultural issue. They are also likely to want to generate wealth through the increased commercialization of such goods. Here, there is an obvious link to the wider efforts at protecting traditional knowledge. Geographical indications (GIs) may provide support for such an aspiration, at least for certain products, as they would appear to have real potential for developing and exploiting lucrative markets for natural products, including

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<sup>13</sup> Submitted through Simon Carter of IDRC

those manufactured by resource-poor farming communities. Some countries however, including developing countries, fear the extension of GIs. They are concerned that requirements such as "authenticity" and "origin" may become barriers to entry into niche sub-markets for particular classes of their exports. Some developing countries argue that, compared to developed countries, they have a smaller number of GIs that could benefit from the extension of GIs, in part because so many of their local products are deemed generic in developed countries. Some developing countries already involved in free and fair product imitation also fear that they will suffer losses from market closures due to the extension of GIs.

Source: Intellectual Property Rights, Implications for Development. Policy Discussion Paper, ICTSD and UNCTAD (2003), Intellectual Property Rights & Sustainable Development

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## **Sustainable access and use of natural resources** <sup>14</sup>

### **Key Messages**

- Everyone in the world depends on nature and ecosystem services to provide the conditions for a decent, healthy, and secure life.
- Humans have made unprecedented changes to ecosystems in recent decades to meet growing demands for food, fresh water, fiber, and energy.
- These changes have helped to improve the lives of billions, but at the same time they weakened nature's ability to deliver other key services such as purification of air and water, protection from disasters, and the provision of medicines.
- Among the outstanding problems identified by this assessment are the dire state of many of the world's fish stocks; the intense vulnerability of the 2 billion people living in dry regions to the loss of ecosystem services, including water supply; and the growing threat to ecosystems from climate change and nutrient pollution.
- Human activities have taken the planet to the edge of a massive wave of species extinctions, further threatening our own well-being.
- The loss of services derived from ecosystems is a significant barrier to the achievement of the Millennium Development Goals to reduce poverty, hunger, and disease.
- The pressures on ecosystems will increase globally in coming decades unless human attitudes and actions change.
- Measures to conserve natural resources are more likely to succeed if local communities are given ownership of them, share the benefits, and are involved in decisions.
- Even today's technology and knowledge can reduce considerably the human impact on ecosystems. They are unlikely to be deployed fully, however, until ecosystem services cease to be perceived as free and limitless, and their full value is taken into account.
- Better protection of natural assets will require coordinated efforts across all sections of governments, businesses, and international institutions. The productivity of ecosystems depends on policy choices on investment, trade, subsidy, taxation, and regulation, among others.

Source: "Living Beyond Our Means: Natural Assets and Human Well-Being" (2005). Statement from the Board of the Millennium Ecosystem Assessment.  
<http://www.maweb.org/documents/document.429.aspx.pdf>

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<sup>14</sup> Submitted through Simon Carter of IDRC

## **Agricultural Trade Policy during Take-Off**<sup>15</sup>

A study commissioned by Oxfam GB looks at the agriculture and trade policies of six different developing countries, each of which has enjoyed unusually high rates of economic growth and development: South Korea, Malaysia, Indonesia, Viet Nam, Chile and Botswana. The study concludes that the current liberalizing agenda provides a fair amount of support for the sorts of strategies pursued by Chile, Botswana and, more recently, Viet Nam. However, developing countries wishing to follow the agricultural development strategies pursued by Korea, Malaysia, and Indonesia in previous decades may need more policy space than the current liberalizing agenda would wish to concede.

In applying trade and other price-related policies, the six governments faced the trade-off between the welfare of producers on the one hand, and of consumers on the other in different ways. South Korea favored consumers over producers; in Malaysia and Indonesia policies have been generally supportive of rice producers; in Viet Nam, the government belatedly benefited rice producers by lifting export restraints; economic growth in Chile coincided with the liberalization of both internal and external trade that served to eliminate the bias against agriculture; as a net importer of food Botswana kept domestic food prices under control by operating a liberal import regime, whilst providing massive farm subsidies.

A wide range of policy instruments have been used. In the staple food sector the Asian food-importing countries used state trading monopolies (Malaysia, Indonesia) and import licenses and quotas (South Korea) – tariffs played a minimal role. In the other food-importing nations, food was either permitted to enter the country tariff-free (Botswana) or was subject to a variable levy aimed at stabilizing domestic prices (Chile). Food-exporting nations (Viet Nam and Chile again) largely removed export restrictions, although both countries had placed heavy restrictions on trade prior to that. In Botswana a state-owned marketing board monopolized beef exports, whereas in Malaysia exports were carried out by the private sector and subject only to taxes.

In all of the case study countries except Chile, interventions in domestic markets typically involved state marketing boards. The other important set of policy instruments relate to subsidized inputs and credit combined with public sector investment in rural infrastructure and agricultural research and extension.

Reducing price volatility, especially in rice, was a key aim of government action.

In a number of countries (Korea, Malaysia, and Botswana) there is clear evidence of governments using the instruments of agricultural policy in an attempt to transfer resources from more prosperous parts of the economy to vulnerable groups in the rural sector (i.e. smallholders in the staple food sector). In Chile, large farms play a much bigger role in agricultural production and many of the direct benefits of agricultural liberalization and export expansion have accrued to such farmers, largely bypassing rural smallholders.

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<sup>15</sup> Submitted through Arabella Fraser of Oxfam International

Source: “Agricultural Trade Policy in Developing Countries during Take-Off”, M Stockbridge for Oxfam GB, July 2006, at [http://www.oxfam.org.uk/what\\_we\\_do/issues/trade/downloads/research\\_agricultural\\_trade.pdf](http://www.oxfam.org.uk/what_we_do/issues/trade/downloads/research_agricultural_trade.pdf)

## OECD Agricultural Subsidies <sup>16</sup>

In identifying policies and programs to help strengthen the agricultural sectors in developing countries, industrialized countries need to reassess the how their domestic policies may be hurting farmers abroad. In particular, agricultural subsidies of OECD countries have been shown to hurt farmers in developing countries in at least three ways: they depress global prices, meaning that poor country farmers earn less for their products; they introduce artificially low priced goods that compete with domestically produced goods and thus undermine rural livelihoods; and they reduce markets for developing countries that compete with subsidized US goods in other markets.<sup>17</sup>

The OECD provides comparable figures of government support for agriculture across its members. The US and EU are among the worst offenders, together accounting for over 60 percent of total OECD Producer Support Estimates, a measure of the total taxpayer and consumer transfers to farmers, including through price supports, export subsidies, and direct payments. Transfers from taxpayers to farmers alone averaged about \$31 billion between 2000-2005 in the US and about \$64 billion in the EU, as shown below:

### US and EU agricultural subsidies, 2000-2005

		2000	2001	2002	2003	2004	2005	ave 2000-05
US	USDmn	35,640	33,616	25,650	25,658	30,319	33,948	30,805
	EURmn	27,499	25,937	19,791	19,797	23,393	26,193	23,768
EU	EURmn	43,451	46,316	44,968	49,327	52,058	60,623	49,457
	USDmn	56,317	60,030	58,283	63,933	67,473	78,573	64,102

Note: These numbers reflect total subsidies in terms of gross transfers from taxpayers to producers and are based on OECD estimates for Producer Support Estimate minus Market Price Support, as provided in [www.oecd.org](http://www.oecd.org).

<sup>16</sup> Submitted through Arabella Fraser of Oxfam International

<sup>17</sup> Truth or Consequences; Boxed In; CRS

## Illegal OECD Subsidies on Additional Products <sup>18</sup>

In the wake of the cotton and sugar cases, research in 2005 confirmed that US and EU agricultural subsidies are also bending the law. The trade superpowers are illegally subsidising a slew of products, from butter to orange juice, from tobacco to tomatoes, and from corn to rice. The total illegal subsidies highlighted in the paper alone amounted to €3.6bn (\$4.2bn) for the EU and \$9.3bn (€7.9bn) for the USA in one year.

For example, the EU provides millions of euros in subsidies to encourage the processing of fruit and vegetables into finished food products, such as tomato paste, canned fruit, and orange juice. European tomato paste accounts for more than a third of world exports.<sup>19</sup> Tomatoes used as input for tomato paste, canned tomatoes, and tomato sauce are subsidised at a rate of 65 per cent<sup>20</sup> and the EU provides about €300m a year to encourage the processing of tomatoes into tomato products.<sup>21</sup> These subsidies enable European producers, mostly in Greece, Italy, Spain, and Portugal, to purchase EU tomatoes at very low (subsidised) prices, allowing them to be the leading exporters of tomato paste in the world.

South Africa, Chile, China, Mexico, Morocco, and Tunisia are all major producers and exporters of tomato paste. Europe's tomato processing subsidies hurt these countries by suppressing the price of tomato paste in world markets, and by impeding their exports to markets around the world, in breach of Part III, Articles 5(c) and 6.3(a), (b), and (c) of the WTO Agreement on Subsidies and Countervailing Measures. If removing EU subsidies were to increase world prices of tomato paste by 5 per cent — a conservative estimate — exporters of tomato paste in these countries would gain \$15m in additional revenue.<sup>22</sup> If EU exports disappeared completely the resulting market opportunities would be worth \$315m.<sup>23</sup>

In turn, the success of US corn in international markets is only possible because of the huge subsidies paid by the US Department of Agriculture (USDA), regardless of how much corn is produced. Without this money, a large proportion of US production would be chronically unprofitable. According to the USDA, the average corn farmer has lost about \$230 for each planted acre of corn over the past five years, amounting to almost \$20bn in losses for the corn sector as a whole. Fortunately for US corn farmers, government subsidies have more than made up for this shortfall, topping \$25bn over the same period.

Thanks to \$8bn in subsidies, US production of corn in 2004 was the highest on record, while plantings were the highest in 20 years. US production of corn continues to expand, despite low prices and chronic market losses. Without subsidies, US corn production and exports would be lower, and world corn prices would be higher. This has been confirmed by economic analysis showing that, without marketing loan and counter-cyclical payments, the USA's production of

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<sup>18</sup> Submitted through Arabella Fraser of Oxfam International

<sup>19</sup> The 2003 CAP reform does not affect these illegal processing subsidies for fruit and vegetables.

<sup>20</sup> The subsidisation rate is equal to the ratio of the value of subsidies to the market value of the product. Estimated using the tomato subsidy rate of €34.5 per tonne and contract prices reported in USDA agricultural attaché reports.

<sup>21</sup> 2005 General Budget of the European Union, Volume 4 (Section 3), Title 05, Chapter 02, Article 08, Item 07.

<sup>22</sup> Estimate equal to 5 per cent of the value of total exports of tomato paste (HS classification 200290) from Morocco, China, Chile, Mexico, South Africa, and Tunisia in 2004. Source: UN Comtrade Database.

<sup>23</sup> Estimate equal to value of EU-25 exports of tomato paste (HS 200290) in 2003. Source: UN Comtrade Database.

corn in 2004 would have declined by 15 per cent, exports would have disappeared, and world prices would have been 7 per cent higher.<sup>24</sup>

In the Dominican Republic, around 10,000 dairy farmers are thought to have been forced out of business during the past two decades due to the dumping of European milk products, in spite of the considerable investment in the country's dairy sector by the government and by the industry itself.<sup>25</sup>

Similarly, US rice subsidies are having a direct and negative effect on farmers in Ghana. Rice is grown on around 8,000 farms in the USA, with the state of Arkansas producing almost half of the nation's crop. The biggest 332 farms in Arkansas — each over 400 hectares in size — produce more rice than all the farmers of Ghana, Guinea, Guinea-Bissau, Niger, and Senegal combined. US rice exports have grown by 60 per cent over the past 20 years, a growth only possible because of subsidies, which totalled \$1.3bn in 2003 alone.<sup>26</sup> When US rice arrives at the port in Accra, Ghana's capital, it arrives with a fanfare. USA Rice — the industry's biggest lobby group — sees Ghana as an important market for its exports: 111,000 tonnes of US rice went there in 2003. This cheap, subsidised rice is aggressively marketed.

Source: 'Truth or consequences', Oxfam International Briefing Paper, November 2005 at [http://www.oxfam.org.uk/what\\_we\\_do/issues/trade/bp81\\_truth.htm](http://www.oxfam.org.uk/what_we_do/issues/trade/bp81_truth.htm)

*Please note that the figures used in this paper may need updating. All sources can be found in the Annex and Notes to the paper.*

### **Fair Trade impact on small producer organizations in the Yungas Coffee Industry**<sup>27</sup>

The objective of the study was to measure the benefits of Fair Trade for coffee producers and their communities in the region of the Yungas, in Bolivia between 2002 and 2004. This covers seven producer organizations ranging from 3 to 10 years experience in fair trade certification. The study concludes that the regulating effect of fair trade on prices practiced by traders in the region is entirely "unique". Its impact is not limited to the 4,000 organized families, but also extends to the 20,000 families of the Yungas, raising the standards of living in the entire region.

Main benefits of Fair Trade identified by the study:

(1) All families participating in the Fair-trade market achieved a sustainable standard of living (according to local standards). From 2000 to 2004, the annual average agricultural income per family doubled from 1,300 USD in 2004 to 2,600 USD in 2006, mainly caused by the increase in Fair-trade

<sup>24</sup> Estimates provided to Oxfam by Professor Daniel Sumner, Director of the Agricultural Issues Center at the University of California. For an explanation of the simulation model used by Professor Sumner to arrive at these estimates, see Daniel Sumner (2005) 'Boxed In: Conflicts Between US Farm Policies and WTO Obligations', CATO Institute Trade Policy Analysis no.32, Appendix 1.

<sup>25</sup> P. Fowler (2002) 'Milking the CAP: How Europe's dairy regime is devastating livelihoods in the developing world,' Oxfam Briefing Paper No.34, Oxford: Oxfam, available at: [http://www.oxfam.org.uk/what\\_we\\_do/issues/trade/bp34\\_cap.htm](http://www.oxfam.org.uk/what_we_do/issues/trade/bp34_cap.htm).

<sup>26</sup> FAOSTAT and Table 34 of United States Agricultural Census of 2002. [www.nass.usda.gov/census/census02/volume1/us/st99\\_1\\_034\\_034.pdf](http://www.nass.usda.gov/census/census02/volume1/us/st99_1_034_034.pdf)

<sup>27</sup> Submitted through Gigi Manicad of Oxfam Novib

sales volumes. A large number of families are now able to save 1,000 to 1,500 US dollars annually, to finance university studies for their children.

(2) Productivity has increased in Fair-trade certified coffee cooperatives: On average, the number of kilos of green coffee harvested per working day increased by one third, from 15 to 20 kilos per day from 2000 to 2004.

(3) Fair Trade contributed to strengthening and profesionalization of producer organizations.

\* Producers are selling ever-larger percentages of their harvest to their cooperatives. Previously, when they were in need of immediate liquidity, they sold to individual local traders under less advantageous conditions. Fair Trade cooperatives are clearly increasing their ability to market coffee from their members. In 2000, the production sold by producers to the Fair-trade certified cooperatives was on average only 60%; in 2004 the number increased to 84%.

\*The number of producers affiliated with producer organizations as active members increased from 1,500 to 1,900 between 2002 and 2004, a period of strong growth of Fair-trade sales.

\*The producer organizations (16 certified by FLO and four uncertified) succeeded in almost doubling their export volumes (from 54 to 100 containers) and in increasing the average price from 74 to 105 USD per 100 lbs between 2000 and 2004

\*75% of producer organizations redrafted their articles of association and drew up internal regulations and job function manuals. The producer organizations thus defined the basic rules for, among others, the inclusion of members, the inclusion of inspection committees and the use of human resources.

4) Positive effect of Fair-trade prices on the local market prices

\*Producer Organizations constitute strong competition on the local market for intermediaries. The study attributes the rise in coffee prices paid to producers by local traders (from an average of 70 USD per 100 lbs in 2001 to over 100 USD in 2004) to the upwards pressure on prices caused by the Producers Organizations' Fair-trade sales, which amount to 25% of the total sales volume in the region.

\*Moreover, the average income of seasonal workers employed for the selection of coffee beans for export more than doubled over the 2000-2004 period. The same applies to the wages of day laborers employed by producers during the harvest. This increase is mainly due to the recovery of international coffee prices, but the “regulating effect” of Fair-trade prices on the local market amplified this tendency.

Source : C. Chauveau and C. Eberhart, Étude du commerce équitable dans la filière café en Bolivie, CICDA, France, May 2002.

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## NATIONAL POLICY PROCESSES

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### **Roles of national ministries**<sup>28</sup>

The role of Ministries of Agriculture has been very problematic in the last 20 years in much of Sub-Saharan Africa. Capacity has been low, agricultural services at farmer level has often deteriorated, and all too often these services have been sustained only by agricultural SWAPs, when in some cases it may have been better for these to wither and die. These SWAPs have often conflicted with decentralization policies, and have perpetuated central control where often services should have been handed over to local government (e.g. in Zambia in the late 1980s and early 1990s). The agendas of the Ministries are large and diverse, often set by external requirements, while the reality is they are often unable to perform. One example where the roles have been reduced with a clear transfer to local government of the responsibility for extension is Uganda, where the national Ministry is small (around 100 staff) which has been one of the best examples of innovation in Africa. E.g. see Report on Community-Based Workers in Uganda, 2004, Kampala, Uganda CBW Steering Committee available at [www.khanya-aicdd.org](http://www.khanya-aicdd.org), or from Francis Byekwaso, NAADS, et [fbyekwaso@naads.or.ug](mailto:fbyekwaso@naads.or.ug). A similar attempt has been in the Free State South Africa (see Goldman, Ian and Madolo, M (1998): “Transformation of the Rural Sector in the Free State”, Bloemfontein, Khanya-aicdd, available at [www.khanya-aicdd.org](http://www.khanya-aicdd.org))

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### **Case Study: Insights from the Oxfam-Unilever Indonesia study**<sup>29</sup>

Oxfam GB, Oxfam Novib and Unilever Indonesia (UI) collaborated in a research project to assess the ‘poverty footprint’ of Unilever’s operations in Indonesia. This study was a first of its kind. Companies have not systematically looked at the full range of interactions with poor people in their supply chains, and this study revealed the extent to which a fast-moving consumer goods company is integral to the livelihoods of thousands of women and men. The study began to develop a methodology whereby companies can uncover all the invisible interactions with poor workers, consumers and producers in order to reduce the potential negative impacts of their operations, and increase the value that is captured by the poorest people.

As Indonesia’s thirteenth largest company by sales, UI sells household cleaning products, hand soap, and shampoos to nearly every Indonesian household. The study sheds light on at least three ways large businesses like UI can impact upon poverty alleviation:

First, big business can improve rural livelihoods by working directly with small farmers. Needing to secure an improved supply of much sought-after black soy beans for the production of a particular type of sweet soy sauce, for instance, UI shifted from buying from distributors to purchasing directly from farmers. As a result, farmers earned prices 10-15 percent higher than in traditional markets, and gained secured access to markets, credit, and technical assistance. UI, in turn, met its demand for a continuous supply of quality black soy beans. However producers of coconut sugar, the other principal ingredient of the soy sauce in question, were not as fortunate. Compared to black soy beans, coconut sugar is relatively abundant in Indonesia, and Unilever

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<sup>28</sup> Submitted through Ian Goldman of Khanya-aicdd

<sup>29</sup> Submitted through Arabella Fraser of Oxfam International

was able to source this ingredient at sufficient quality and quantity through local markets without the need to set up alternative supply chains.

Second, the employment impact of a retailer's distribution network may dwarf that of its direct labour force: while UI directly employed 5,000 workers, its value chain helped support over 300,000 jobs, more than half of which were in distribution, from larger retailers, to street vendors and family-run shops.

Finally, while participation in value chains provides both small farmers and small retailers with income, skills and experience, in the case of Unilever, smaller players at either end of the value chain gain much less than those more directly involved. Finding ways to improve the livelihoods of the most vulnerable value chain participants remains a major challenge for responsible businesses, as the ability to monitor and influence standards and conditions also diminishes along the value chain.

Source: Clay, Jason (2005). "Exploring the Links Between International Business and Poverty Reduction: A Case Study of Unilever in Indonesia." An Oxfam GB, Novib, and Unilever Indonesia Joint Research Project.

[http://www.oxfam.org.uk/what\\_we\\_do/issues/livelihoods/unilever.htm](http://www.oxfam.org.uk/what_we_do/issues/livelihoods/unilever.htm)

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### **Sustainable Rural Development – co-created by social movements and Brazilian Government**<sup>30</sup>

*"Development is an act of collective willingness, of the government and of all social forces together, committed to the effort of building another country."* (Celso Furtado, 2005)

Brazil is a plural and heterogeneous country. This heterogeneity led to side-by-side coexistence of controversial projects that compete, within unequal conditions, in the same social area. This "conflicting coexistence" exists particularly in the rural area.

To answer the complex issue of agriculture and rural development, civil society and government work together in the National Council for Sustainable Rural Development (CONDRAF), by which they effectively democratise the state and alter the relation between the state and the civil society, promoting participatory instruments for co-creation and democratic decision-making processes. CONDRAF had its reglamentation according to its composition, structure and competencies renovated by the decree n° 4.854, of 8<sup>th</sup> of October 2003.

CONDRAF is composed of 38 members, 19 indicated by the government and 19 indicated by organisations of the civil society, including representatives of organised family farmers.

On the 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> of March of 2006, the National Plenary Session for Sustainable Rural Development, preceding the International Conference for Agrarian Reform and Rural Development organised by FAO (UN), discussed the joint directives elaborated by CONDRAF. The document outlines strategic directives on:

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<sup>30</sup> Submitted through Jaap van Doorn of CRESOL

I – Social and Regional Diversities; II – Rights and Quality of Life; III – Knowledge and Know-how; IV – Social Organisation and Political Participation; V – Organisation of Production and Markets and VI – Production, Consumption and Sustainability.

“Condraf reflects the consolidation of a strong relationship between civil society and government. In fact it influences the perception on development of all stakeholders involved. Important development programs have been implemented in shared responsibility, assuring commitment and an approach adapted to the needs of Family Agriculture,” Vanderley Ziger, president of the National Association of Credit Cooperatives and Solidary Economy, ANCOSOL.

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### **Delivering Affordable and Quality Animal Health Services to Kenya’s Rural Poor** <sup>31</sup>

The health of livestock is a major concern among the people inhabiting the Arid and Semi-Arid Lands (ASAL) of Northern Kenya. As the Government of Kenya lacks the resources to treat animal diseases adequately, particularly in remote areas, there is a need to consider alternative ways of providing animal health services that are both viable and self-sustaining.

In response, FARM-Africa established Decentralized Animal Health (DAH) system in its Pastoralist Development Project (PDP) and the Meru Dairy Goat and Animal Healthcare Project (MDGP). The DAH system is a community-based solution to address the gaps in animal healthcare service provision.

FARM-Africa, in collaboration with the Ministry of Agriculture and Rural Development, linked private practitioners to local farmers and to the Department of Veterinary Services. Local farmers selected individuals participating in the project to be trained as Community-Based Animal Health Workers (CAHWs). They were trained in disease surveillance and improved animal husbandry techniques. CAHWs were supervised by vets as well as Animal Health Assistants (AHAs) who were provided with loans and training in business management skills to help them to establish private practices in rural areas. Fora were established to encourage close working relations between AHAs and CAHWs as well as improving the delivery of animal health services.

The impacts of the DAH system on the agricultural and livestock systems of small-scale farmers is varied and includes increased access to veterinary services and drugs at reduced cost, improved disease surveillance, increased community awareness of animal disease, successful intensification of dairy goat production and improved range and supply of livestock and agricultural services.

FARM-Africa’s experiences demonstrate that decentralized animal health service delivery is an extremely effective way of providing animal healthcare in the absence of government services.

Source: Peacock, C., Kaberia, B. & Mutia, P. (2003) Delivering Affordable and Quality Animal Health Services to Kenya's Rural Poor, FARM-Africa, London

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### **Transforming the Rural Sector in the Free State, South Africa** <sup>32</sup>

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<sup>31</sup> Submitted through FARM-Africa

<sup>32</sup> Submitted through Ian Goldman of Khanya-aicdd

The provincial minister of Agriculture in the Free State, South Africa undertook a radical change process after the democratic transition in 1994. This involved a restructuring of the department to serve 325 000 households from the previous 11 000 white commercial farmers. Elements of the change included:

- Creating a change management unit to drive the change process, working directly to the Minister, and funded by DFID, and with different stakeholders on its Board
- Restructuring to Increase the number of extension officers, decentralizing the department to make it more responsive, and creating a strategic apex to provide greater strategic ability
- Cutting 20% of the budget to create a development fund for communities
- Analyzing the rural economy to identify priority areas for investment, supported by the World Bank
- Creating a parastatal to provide small business support for the non-farm rural economy
- All the senior management undertaking PRAs to understand better their new clients and change organizational culture
- Deciding on priority programs to address these new clients

These changes happened between 1995 and 1998, and significantly improved the responsiveness of the Department and its interaction with clients. Ultimately the process was derailed as there was no political coalition established to support the Minister, and he was a victim of internal party feuding. (Goldman, I and Madolo, M (1998): “Transformation of the Rural Sector in the Free State”, Bloemfontein, Khanya-aicdd, available at [www.khanya-aicdd.org](http://www.khanya-aicdd.org))

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### **The use of community-based workers – an example of CHOICE Trust working with HIV/AIDS in Tzaneen, South Africa**<sup>33</sup>

CHoiCE Comprehensive Health Care Trust was established in 1996 to respond to the identified health problems in the rural areas of the Greater Tzaneen municipality, Mopani district, in Limpopo province. Home-based care provision by community health workers (CHWs) is the major focus of the organization. Currently ChoiCE serves a population of approximately 500,000 supported by 128 volunteers.

CHoiCe is developing a new way for home-based care workers (HBCW) in Limpopo and the country as a whole. Although ChoiCe specializes in HBC it has also spearheaded Food Sustainability Projects in the health clinics they work in, they run a people living with HIV/AIDS (PLWA) Support Project involving 17 PLWA support Groups, and Wellness Training and ART Preparation Program. It has various programs for orphans and vulnerable children (OVC), including scouts. CHoiCE has a community development focus targeting vulnerable households in general, not just sick people. Their 128 volunteers reached 153,000 households in 2006, worked with 31,000 sick people, gave 16,000 referrals and reached 15,000 OVC. Over 150,000 people were reached through awareness on HIV and TB and 1,000 children supported weekly – 700 of these were trained in First Aid, while another 500 were trained in HIV awareness.

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<sup>33</sup> Submitted through Ian Goldman of Khanya-aicdd

Like most CBOs, CHoiCE was founded by volunteers and works to empower and capacitate them to the fullest. The HBCWs themselves are identified through the community and once selected receive the HWSETA accredited training and are then each assigned approximately 250 households in the village in which they live. The HBCWs provide comprehensive home-based care, providing direct observation therapy short course (DOTS) support for tuberculosis, door-to-door visits, family education, counseling, health advice and many other essential services. All 128 volunteers receive a monthly stipend and are offered continuous trainings and other forms of accreditation opportunities such as Rehabilitation, Orphan & Vulnerable Children, ART and Group Therapy.

Volunteers are based at a local clinic and supported by a volunteer co-ordinator and the resident clinical nurse. Volunteer Co-ordinators meet their CBWs regularly in their clinics. Volunteer coordinators meet together monthly to address particular cases, debrief and develop strategies for better and more comprehensive service delivery.

Some of the challenges facing ChoiCE volunteers are the confusion regarding Caregivers - are they volunteers or an exploited labor force? The organization is concerned about the death of voluntarism through provision stipends, volunteer 'burn-out' and lack of national guidelines on policies and stipends.

CBW Project (2006): "CBW National Workshop Report, South Africa", Bloemfontein, Khanya-  
aicdd.

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## FOOD SECURITY

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### Food Security, Right to Food and Food Sovereignty<sup>34</sup>

Food Security is largely a definition<sup>35</sup> of a goal for a set of food and nutrition policies. A definition of a goal does not automatically recommend a specific programme to achieve that goal. The use of this term in many documents misses a crucial element of the Right to Food. Not only is it important to focus attention on the amount of food people are able to access, but *how* people access this food. The rights-based debate focuses on forms of access that respect human dignity. For the right to food, economic access means much more than adequate purchasing power to buy food, namely access to resources to feed oneself: Access to land, to seeds (IPR) and livestock breeds, to water and fishery resources, to basic capital and credit, etc. which are needed to produce food or to gain an income with dignity. The Right to Food is similarly a concept that does not rest on a particular set of policies, but focuses on the obligations of states and on allowing people who are negatively affected to use legal remedies to get their rights implemented. States have to guarantee the right to food but have a wide margin of discretion on how to implement it. Food sovereignty<sup>36</sup>, however, is a more precise policy proposal, with proponents challenging political inactivity or other failures to pursue appropriate policies. Food sovereignty poses political challenges, which require that states should regain the necessary policy space to conduct their fight against hunger and to be able to implement fully their obligations to their citizens to ensure both their Right to Adequate Food as well as their other human rights. Moreover, states should provide an environment that facilitates the implementation of all human rights obligations. However the availability of the necessary policy space does not automatically lead to national policies that promote or even consider the interests of smallholder farmers, pastoralists and fisher folk or remote rural areas, because national governments are often not respectful of the needs of the poorer segments of their society. Apart from the policy space there are other factors that affect the choices a government will make such as the influence and interests of pressure groups and other stakeholders. The Right to Food<sup>37</sup> is, therefore, an extremely important additional element, since it is a way to make accountable national governments to people facing hunger and malnutrition. It is also an instrument that should prevent governments to turn their eye away from violation of the right to food of individuals for example because of skew intra-household division of power. To summarize, the Food sovereignty framework paves the way for special attention to be given international governance of food and agriculture and to the international causes of hunger and malnutrition. It also encourages a discussion about the policy space that needs to exist to encourage (but not necessarily guarantee) the creation of national policies that aim to reduce rural poverty and

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<sup>34</sup> Submitted through Stineke Oenema of ICCO

<sup>35</sup> **Food security** exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life. Household food security is the application of this concept at the family level, with individuals within households as the focus of concern (definition from World Food Summit 1996).

<sup>36</sup> **Food Sovereignty** refers to a combination of national and international policies that need to be changed. Even if the term seems to focus on the international dimension of the problem, it also refers to necessary national changes, particularly concerning access to land. Most authors refer to trade policy instruments and the need for substantial changes, further the access to agricultural inputs and the sovereignty over seeds and livestock breeds

<sup>37</sup> **Right to Food** is a human right, among others recognised in the International Convention on Economic, Social and Cultural rights (ICESCR, 1966) and the Universal Declaration of Human Rights (UDHR, 1948)

eliminate hunger and malnutrition. The Right to Food however is a legal reference instrument and provides legal standards for all measures and policies undertaken by each state to secure access to adequate food for everyone. It requires that the policy space available is used properly and that states implement their obligations to the right to food (and other human rights).

Source: Adapted from: “Food Sovereignty. Towards democracy in localized food systems”. By Michael Windfuhr and Jennie Jonsén. FIAN International. ITDG publishing 2005

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### **Fighting hunger with food produced by Family Agriculture**<sup>38</sup>

The “Program for the Acquisition of Food” (PAF) is one of the programs of the Zero Hunger program of the Brazilian Government. The objective of this program is to guarantee access to food with quantity, quality, and regularity for populations subjected to food insecurity or malnutrition and to promote social inclusion in the rural areas by strengthening Family Agriculture.

The management of the PAF is coordinated by the Ministry of Social Development and Eradication of Hunger and involves 4 other ministries. The program buys food according to the regional prevailing price settings, with a maximum of UD 1.667,00 per farmer / year, with an exception for dairy producers where the limit is USD 1.667,00 per farmer / 6 months, and is accessible for low income Family Agriculture organized in associations or cooperatives.

The food is distributed to populations living in poverty such as indigenous people, former slaves, children in public crèches and orphanages, old people’s homes, people living on the streets or landless families, among others.

Due to this specific initiative many farmers are organizing themselves to get access to local and regional markets. By guaranteeing a minimal flux of food production for the market, farmers are able to build their own organizations, get acquainted with the obstacles in the food chain and commercialization networks. In fact the government is creating a pro-poor access to market environment for family agriculture. A table 1 show in what extend the program reaches the beneficiaries and farmers.

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<sup>38</sup> Submitted through Jaap van Doorn of CRESOL

**Table 1.**

	The state of Parana	Brazil
Beneficiary organization (n°)	3.005	11.988
Beneficiants (n°)	1.130.740	2.966.286
Farmer Families involved (n°)	22.584	46.441
Quantity (Tonnage)	9.660	32.423
Value (USD)	7.737.141,06	26.635.335,84

Source: Ministério de Desenvolvimento Social e Combate a FOME

Since the program started more and more farmers are organizing themselves. Table 2 shows the growth of new commercialization cooperatives from family farmers in the State of Paraná, Brazil.

**Table 2.**

	2004	2006
Cooperatives	1	18
Members	50	1.800 (estimated)

Source: Coopafi, Cooperativas de Agricultura Familiar Integradas

This case shows that a government that takes a pro-active attitude creates an enabling environment for entrepreneurial farmers and farmer organizations and effectively eradicates poverty together with a developmental agenda for family agriculture. The growth of the cooperatives is due to the PAF. After a while they slowly enter new market segments.

### **Sustainable agriculture to enhance food production: evidence from over 200 cases**<sup>39</sup>

A more sustainable agriculture integrates processes such as nutrient cycling, nitrogen fixation & soil regeneration into food production. It minimises the use of non-renewable inputs (pesticides and fertilizers), makes use of knowledge & skills of farmers and makes productive use of social capital - capacities to solve management problems together. It produces goods for families and markets, but it also contributes to public goods, such as clean water, wildlife, carbon sequestration in soils, flood protection, landscape quality, biodiversity, groundwater recharge, urban to rural migration, social cohesion. Pretty and Hine (2001) identified 208 cases of sustainable agriculture projects and initiatives from 52 countries representing 8.98 million farmers on 28.92 million hectares - equivalent to 3.0% of the 960 million hectares of agricultural crops in Africa, Asia and Latin America. Well represented were India (23 initiatives); Uganda (20); Kenya (17); Tanzania (10); China (8); the Philippines (7); Malawi (6); Honduras, Peru, Brazil, Mexico, Burkina Faso and Ethiopia (all 5); and Bangladesh (4).

Improvements in food production (most significant in rain fed agriculture) were occurring through one or more of these five mechanisms:

<sup>39</sup> Submitted through Gigi Manicad of Oxfam Novib

- (1) intensification of a single component of farm system - such as home garden intensification
- (2) addition of a new productive element to a farm system, such as fish or shrimps in paddy rice, or agro forestry
- (3) Better use of natural capital to increase total farm production, especially water (by water harvesting and irrigation scheduling), and land reclamation
- (4) Improvements in per hectare yields of staples through introduction of new regenerative elements into farm systems (e.g. legumes, integrated pest management);
- (5) Improvements in per hectare yields through introduction of new and locally-appropriate crop varieties and animal breeds.

Most projects showed significant increases in household food production by yield improvements or increases in cropping intensity or diversity of produce. The evidence of 96 projects showed that, as a result of sustainable agriculture techniques/methods: (1) for the 4.42 million farmers on 3.58 million hectares, average food production per household increased by 1.71 tonnes per year (an increase of 73%); (2) for the 146,000 farmers on 542,000 hectares cultivating roots (potato, sweet potato and cassava), the increase in food production was 17 tonnes per household per year (an increase of 150%); (3) for the larger farms in Latin America (ave. size = 90 ha/farm), total production increased by 150 tonnes per household per year (an increase of 46%).

Successes have been founded mainly upon: (1) appropriate technology adapted by farmers' experimentation; (2) a social learning and participatory approach (3) good linkages between projects and external agencies plus working partnerships between agencies; and (4) presence of social capital at local level. An enabling policy environment, infrastructure for market, transport and communication, government support and developing social capital are vital for the successes to spread.

Source: Jules Pretty and Rachel Hine (2001) Reducing Food Poverty with Sustainable Agriculture: A Summary of New Evidence Centre for Environment and Society, University of Essex. (Final Report from the "SAFE-World" Research Project).  
<http://www.essex.ac.uk/ces/esu/occasionalpapers/SAFErepSUBHEADS.shtm>

## **Food Security and Small Scale Salt Producers in Rajasthan, India <sup>40</sup>**

### **Salt Production in Rajasthan**

The main salt producing areas in Rajasthan are Nawa, Sambhar Lake, Kuchaman City, Sujangarh, Phalaudi and Pokaran. The yield of salt varies markedly in these areas. In Rajasthan, the bulk of the production is coming from the unrecognized sector, as compared to Cooperative Societies, Private sector or the Public sector. Sambhar Salt is the main Public Sector venture in Rajasthan, in addition to this there are 11 registered cooperative societies engaged in salt production. The proportion of salt being iodized has been increasing over the years in Rajasthan. The iodized salt is produced in 296 recognized iodization plants and 3 refineries. The combined commissioned capacity of iodization plants is 1672.8 (1000 Tonnes), and the 3 refineries have an installed capacity of 196 (1000 Tonnes). Rajasthan is the second largest producer of iodized salt, both refined and unrefined salt. The salt industry in Rajasthan employs a large number of unskilled labor forces, which works in either the salt pans, or in the iodization units. Besides this

<sup>40</sup> Submitted through by Sharad Joshi of CECOEDECON

a large number of people are engaged in the transportation of salt from the salt pans to the iodization plants and refineries.

### **Salt Production in Nawa**

Nawa is the oldest and the most important center of salt production in Rajasthan. Nawa was the first place where salt production was initiated in Rajasthan. The only source of subsoil brine here is from the submersible pumps set up adjoining the Sambhar Lake. Brine from these bore wells is transported through pipelines to the salt pans 3-4 km away from the lake boundary. Salt is produced from the months of September to May, with each production cycle taking 3-4 months. Production is stopped in the monsoon months due to unavailability of sun light and poor quality of brine. The sodium chloride (NaCl) content of Salt produced in Nawa drops below 96% after the month of March.

There are 953 salt units operational in the Nawa region (excluding the area under the Sambhar Salt Corporation). The total production of common salt from Nawa is around 10 Lakh Tonnes, of which around 4 Lakh Tonnes is iodized. The yield of salt in Nawa is the highest in Rajasthan, but the quality of salt is a major concern here. Most of the salt produced here is not above the 96% NaCl level, as required by the government rules to be fit for human consumption. Most of the production here falls between 94-96 % NaCl levels, with the quality further deteriorating as the production season ends.

There are 145 Iodization Units registered with the Office of the Salt Superintendent in Nawa. All of the 4 Lakh tonnes of iodized salt from Nawa is iodized in these units itself. There are no refineries in Nawa, all the salt for refining is sent to the 3 refineries in the nearby areas. The reason for the absence of refineries in Nawa is the high cost of land acquisition, as not much free land is available. There is a lot of potential for increasing the proportion of iodized salt in Nawa, as iodized salt has more market value (Almost double) than common salt. About 7000-8000 laborers are employed in the salt industry in Nawa for about 9 months of the year. The average salary for an unskilled labor is around Rs. 2500. Technical people working in the iodization units earn significantly more. In the monsoon months when the salt production is discontinued, the labor force goes back to the agricultural fields growing groundnut, pearl millet (*bajra*) etc.

A big plus for the salt industry in Rajasthan is the absence of any unions for the salt workers. There are no disruptions to production due to strikes or any other labor centric problems. The relationship between the contractors, manufacturers and the labor force is cordial. Not many facilities are available to the salt workers. Some of their major problems are 1) scarcity of drinking water, 2) absence of insurance facilities, 3) lack of educational facilities for children, 4) health facilities, 5) proper housing, 6) electricity and 7) Poverty. Road network has been improved in the past 2 years, but many more roads are needed.

### **Processes and Technology Used**

There are two main parts in the production of salt; the first one is the production of salt crystals from subsoil brine in the outdoor salt pans through solar evaporation, the second is the iodization and processing of raw salt crystals to a finely grinded powder. The methods used for the production of salt crystals are primitive, with not many changes over the years. A lot of improvement needs to be done to ensure higher yields and better quality of salt. An initiative for this has been taken in the form of a *Model Salt farm*. This farm has been set up in Nawa with the objective of displaying the modern day techniques to the local salt producers. The main method used for the iodization of salt in this region is conventional spray mixing in a large number of small units. These units are using cast iron parts in equipments, which corrode very fast under the chemical action of salt. Introduction of corrosion resistant materials, which enhance the life of machine parts, are required. Dry mixing method is the technique being widely used in many units in India.

Another major area of concern is the falling ground water level. In the Nawa region itself, there are around 1500 submersible pumps pumping subsoil brine 24 hrs a day, each day of the year. This problem is very serious and the production of salt might stop in the coming decades if preventive and corrective measures are not adopted immediately.

Nawa has a rich history of producing salt and has been the prime center for the salt industry in Rajasthan. The fragmented production and lack of big producers has somewhat hampered the growth of the industry, but access to railroads is a big plus to the industry here. Most of the salt produced in Nawa is transported via railroads. The industry is unorganized and labor force here is in need of support.

Source: CECOEDECON Food, Trade and Nutrition Coalition – Asia

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### **MARGINAL GROUPS AND AREAS**

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#### **Subsistence agriculture, crucial for economic development**<sup>41</sup>

Subsistence Agriculture and production for the market are equally important for healthy economic development in rural areas, especially for small holder agriculture. Before the green revolution small scale family agriculture was characterized by a high level of subsistence agriculture and little to no access to markets. Nowadays the opposite is the reality: a highly market oriented production and no attention for subsistence agriculture. The following situation in the South of Brazil shows clear evidence:

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<sup>41</sup> Submitted through Jaap van Doorn of CRESOL

	Farmer A: 100% soybean production for the market	Farmer B: Combination of subsistence & market production
Total size of Farm (ha)	20	20
Legal area of preservation (ha)	4	4
Other non productive areas (ha)	1	1
Subsistence Agriculture (ha)	0	1
Area Soybean (ha)	15	14
Gross agricultural income (USD)	10.890,00	14.708,29
Net Agricultural Income	2.832,86	7.188,29

Farmer A has put all effort in producing soybeans and buys all the food on the market. Farmer B also produces soybeans, but uses 1 ha of his land to produce a big number of food products: meat, eggs, cassava, rice, beans, maize, fish, milk, potatoes, unions & garlic, fruits, honey, etc., and processes cheese and bread among others. The difference between the income of a farmer A and B was USD 4.355,43 in 2006.

On an average establishment of family agriculture 3, 5 persons are economically active. The minimum income in Brazil is USD 166, 67/person/month. This means a family should at least earn USD 7.000,00 per year to guarantee a minimal livelihood standard.

The Inkra/FAO research (1995-1996) shows that 69, 40% of the more than 4 million family agriculture establishments own less than 20 hectares. Farmers' organizations in Brazil are convinced commodity agriculture alone is not a feasible option for family agriculture. Subsistence agriculture needs to be taken in to account as serious farm activity to reach economic and social development.

The example is based on official production, cost and price indicators:

- Soybean production in Paraná\*: 3.000 kg/ha
- Production costs (high technology)\*: USD 537,14/ha
- Average soybean price in Paraná\*: USD 0,242/KG
- Net income out of soybean production: USD 188,86/ha
- Income out of Subsistence Agriculture\*\*: USD 4.523 per year

\*Source: Secretary of Agriculture of Paraná, 2006/2007

\*\*Source: Statistics CreSol Baser, 2006: Value of consumed items produced and processed on the farm, family of 4 adults.

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## Marginalization<sup>42</sup>

The developing world's poorest people live in marginal, often harsh rural environments. The natural resource base tends to be fragile and highly vulnerable to over exploitation. Yet these rural people depend directly on access to the food, forage, fuel, fiber, water, medicines, and building materials provided by local ecosystems. What types of natural resource management (NRM) can improve the livelihoods of these poor people while protecting or enhancing the

<sup>42</sup> Submitted through Simon Carter of IDRC

natural resource base they depend on? New approaches to NRM are needed – ones that move beyond the earlier narrow focus on productivity (such as crop yields), to include social, institutional, and policy considerations.

One such approach – co management – can be defined as collaborative arrangements in which the community of local resource users, local and senior governments, and other stakeholders share responsibility and authority for managing a specified natural resource or resources. A key message to resource managers, policymakers, researchers, and development practitioners is that proposed solutions to NRM problems will be effective and lasting only if driven by the knowledge, action, and learning of local users.

It became clear in the mid-1990s that, despite research-driven gains in technical capacity and productivity, benefits were not reaching the rural poor as expected. The ecosystems on which they depended for food and commercial products continued to degrade. Too often, development professionals, whether local or expatriate, believe that only highly specialized experts can provide insights into complex local resource management problems. Many practical alternatives exist whereby external technical expertise serves to validate local knowledge, inform local action, and facilitate locally led initiatives. They also show that adaptive resource management requires everybody involved to learn, not just the researchers.

A recent IDRC book covers a decade of research across the developing world and presents case studies from Bhutan, Cambodia, China, Ecuador, Lebanon, and Viet Nam, selected to illustrate a wide range of political, economic, and ecological contexts. The resource base is different in each case, the problems vary, and the solutions are specific to the context. Some cases deal mainly with forest management, others with agriculture, water, fisheries, or pastures. They are however easy to compare because they all adopt a common research framework based on participatory action and "learning-by-doing."

Source: Stephen R. Tyler (2006). *Comanagement of Natural Resources: Local Learning for Poverty Reduction*, IDRC. [http://www.idrc.ca/en/ev-103297-201-1-DO\\_TOPIC.html](http://www.idrc.ca/en/ev-103297-201-1-DO_TOPIC.html)

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## **ENTREPRENEURIAL CAPACITY**

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### **Cooperating to Compete – Easier Said than Done**<sup>43</sup>

Since 1990 the government of Chile has made a sustained effort to support the participation of small-scale agriculture in one of the most liberalized and competitive economies in the developing world. Between 1990 and 2004, about \$ 2.3 billion were invested by the government with this purpose. A key element of the strategy has been the promotion of Rural Producer Organizations (RPOs) and the development of their entrepreneurial capacities. Berdegúe (2001) conducted an in depth study of close to 500 RPOs whose main purpose was to improve the economic performance of their members.

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<sup>43</sup> Submitted through Julio A. Berdegúe of Rimisp

The government's effort to promote the formation of this kind of market-oriented RPOs was very successful. In less than a decade, 780 of them were formed, involving about one third of the market-oriented small farms in the country. Half of these RPOs worked with less than 30 small farmers each, and had annual sales of less than \$33,000. Over 70 percent did not have paid staff. Close to half of the RPOs were successful in accessing national markets, and 13 percent exported their products. The RPOs provided a broad range of services to their members and to other small farmers, including technical assistance, financial, machinery, storage, processing, marketing, legal, market information and accounting services.

An econometric analysis of data from a 3,000 household survey showed that membership in an RPO did not make any significant difference in terms of annual net household income. The effect of RPO membership on the profitability (net margin) of agricultural production, depended on the product: if the product was sold in spot markets, such as in the case of wheat or beans, there was no positive effect, but if marketing the product required some level of processing and a degree of vertical coordination with the buyer, as in the case of milk, then a significant positive effect was observed.

The most important finding of the study was that after one decade of sustained effort by farmers, technical advisors and government agencies, only about one-fifth of all the RPOs could be considered to be viable organizations. In 1999, about 45 percent of the RPOs had annual expenses that were higher than their revenues, one third had extremely high debts (mainly with governmental credit programs) relative to their assets, and one third depended on subsidies for 60 percent or more of their income.

In short, it is easier to support the formation of RPOs than for them to actually make a difference in their members' economic performance or to become self-sustainable.

What explains the success of the 20 percent of these Chilean RPOs that had managed to become strong, viable and autonomous organizations? According to Berdegue (2001, p. 253) three factors deserve special attention:

- (a) RPOs as vehicles for change – RPOs can be effective vehicles for farmers willing to change their practices, but not for sustaining the *status quo* in a context of traditional commodity production.
- (b) Networking – Effective RPOs are embedded in effective multi-agent networks that link the farmers to ideas, resources, incentives and opportunities that are located beyond the rural community.
- (c) Rules for allocation of costs and benefits – Successful RPOs have *over time* developed a system of rules and incentives for an adequate allocation of costs and benefits among the members, and between them and the RPO as an entity. These systems of rules typically transmit undistorted market signals to each individual member, and reduce the transaction costs of negotiating, monitoring and enforcing agreements between the collective and the individual.

Source: Berdegué, Julio A. 2001. Cooperating to Compete. Associative Peasant Business Firms in Chile. University of Wageningen, The Netherlands.

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### **The Case of Creating Alternative Marketing Avenues for Mango Farmers**<sup>44</sup>

CUTS, Centre for International Trade, Economics & Environment (CUTS CITEE) have undertaken a two-year (2005-2006) project titled Grassroots Reach out & Networking in India on Trade & Economics (GRANITE). Oxfam Novib, The Netherlands and the Royal Norwegian Embassy, New Delhi has supported the project. The primary focus is on agriculture and handloom sectors - the two key sectors in India providing livelihood to a large section of the population. It has been implemented in eight states, viz. Andhra Pradesh, Karnataka, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal, in partnership with grassroots civil society organisations (CSOs).

At one of the outreach meetings with grassroots stakeholders in Uttar Pradesh, the problem of bureaucratic apathy and corruption was highlighted. It was reported that lack of unity and cooperation amongst farmers is perpetuating malpractices on the part of middlemen and brokers leading to the exploitation of mango farmers and other producer groups to the extent that they received much less than the price of mangoes in a nearby wholesale market. To address this problem, several experts and the GRANITE team present at this outreach meeting urged mango farmers to get in touch with the government offices responsible for export promotion. Farmers were taught about the lengthy and arduous process for mango export. It was almost impossible for such small farmers to follow this difficult process.

Not losing hope, Manish, a mango farmer, formed a producer group along with some other farmers and with the assistance of the GRANITE team contacted the State Fruits and Horticulture Board's office. After repeated requests and much persuasion, the concerned officials agreed to open a counter for mango procurement and export it to other countries. However, since mango growers did not have any training on export requirements, almost 85-90 percent of their mango was rejected - owing to inferior quality - forcing them to sell their produce to local middlemen at lower than normal prices. Undeterred, Manish continued to pursue the matter. Later the GRANITE coordinator in UP along with a state level agricultural officer explained to them the route of direct marketing, particularly through wholesale market and Kisan Call Centre as also for seeking information on prevailing market prices.

Since then, the producer group led by Manish collects prices in different markets by making free calls to the Kisan Call Centre at Krishi Bhawan in Lucknow (the state capital of Uttar Pradesh). They also collected mango from various producer groups and after sorting, grading, packing, hired a full *dala* (full size truck in local language) and send it to *arhatia* (broker) at Azadpur *mandi* (market) in Delhi where they got Rs. 120 per *peti* (box of 10 Kg.) against the previous price of Rs. 65 to 75 per *peti*. They also received a better price for their second grade mangoes by sending it to other *mandis* in Varanasi and Gorakhpur in Uttar Pradesh. Now they are planning to directly contact the exporters in Azadpur *Mandi* so that they can obtain fairer prices for their produce.

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<sup>44</sup> Submitted through Gigi Manicad of Oxfam Novib

**Waged Work in Agriculture:  
Contract Farming and Child Labor in Andhra Pradesh, India**<sup>45</sup>

Child labour is one of the major problems in contract farming in India. Employers/contractors prefer girls for a number of labour supply traits like docility, obedience and stability; a phenomenon which is well documented in the literature. Most of the girl labourers belong to the scheduled caste and scheduled tribe households, poor backward castes and other such communities. The lower status assigned to girls in Indian society, where male preference rules, further propels their employment in a number of activities. Even if parents do not wish to exploit their children, they are often trapped in a vicious cycle of indebtedness, bondage and other obligatory relations which compel them to send their daughters to work. Yet the employers or contractors of girl labour have no requirement to take care of these children; if any health problems arise, they are simply replaced with a new group. With no social security obligations, there is hardly any cost involved for the employers or contractors. Child labour under contracting is not subject to any legal or public disapproval.

Since the 1980s the cross-pollination work in cottonseed farms has shifted from daily adult labour to almost entirely labour by girls, who are fully bonded i.e. obliged to work only for the contract grower who advanced the loan. In 1999-2000 Andhra Pradesh had the highest incidence of child labour in India, with 25% of children aged between 10 and 14 in the rural areas working, compared with only 9% in India as a whole. Most of the cross-pollination work is done by young girls who work daily from July to February. The involvement of young girls in cottonseed production is so high that it is estimated that 0.25 million girls are employed in this activity throughout Andhra Pradesh. In one case, on a 70-acre cottonseed farm dispersed over 14 different villages, 560 girls were employed and were monitored by 14 supervisors. The girls and their parents are contacted well in advance of the crop season and credit is extended to the parents who agree to assign their daughters to the cottonseed farmers for the season (July-February). This credit (cash/grain) advance, which ranged from Rs. 100-3000 in 1997-98 and was obtained by more than 90% of the girls' parents, serves to interlink the credit and child labour markets; this has become an important part of the MNCs' contract farming strategy.

There has been a variety of corporate responses to the problem of child labour, ranging from withdrawing operations from affected countries; dismissing child workers, thus abruptly affecting people's lives; abandoning the factory-based mode of production in favour of contracting work to home-based producers; to adopting a code of conduct for child labour; and finally, acknowledging child labour as a problem and working to eliminate its practice.

**Sources:**

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<sup>45</sup> Submitted through Gigi Manicad of Oxfam Novib

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## **Status and Experience of Contract Farming in India** <sup>46</sup>

Contract Farming (CF) has various models/variants being practiced in India at present. Studies found out that contract production gave much higher (almost three times) gross returns compared with that from the traditional crops (e.g. wheat, paddy, potato, onion and cotton) due to higher yield and assured price under contracts. However, results of studies also found that most of the firms work mostly with large and medium farmers. This bias in favour of large/medium farmers is perpetuating the practice of reverse tenancy in regions like Punjab where these farmers lease in land from marginal and small farmers for contract production. This increased incidence of reverse tenancy resulted to increase in returns from farming for mostly large landholders or those who have other non-farm sources leading to higher orders of economic differentiation in the region as those who lease out land are only worse off.

The eligibility criteria for participation in CF projects/schemes like irrigated land, suitable land, land near main road, literacy level of the farmer are themselves discriminatory in terms of who can be a contract grower. Other aspects of contracting which contribute to CF excluding small producers are: enforcement of contracts, high transaction costs, quality standards, business attitudes and ethics like non/delayed/reduced payment and high rate of product rejection, and weak bargaining power of the small growers. In fact, in CF everywhere, private agribusiness firms have less interest and ability to deal with small scale farmers on an individual basis.

The more recent models of CF like franchising being practiced by the Tatas for wheat in states of UP, Haryana and Punjab; and by the Mahindra Shubhlabh Services Limited for paddy in Tamil Nadu, Andhra Pradesh, Karnataka and basmati and maize in Punjab and Haryana and Mahindra and Mahindra's recent involvement in Punjab agriculture have not worked to the advantage of the farmers. In fact, this model creates a monopsony where a single buyer buys produce of hundreds and thousands of farmers. This system works to the disadvantage of those farmers who lack adequate information about the market, which is termed as asymmetry of information. This model increases the buyer's power disproportionately and puts seller entirely at the buyer's mercy. Further, the contracts protect company interest at all costs to the farmer and do not cover farmer's production risk e.g. crop failure, retain the right of the company to change price, and generally offer prices which are based on open market prices. The firms also manipulated provisions of the contracts in practice, e.g. in case of broiler chickens in Tamil Nadu where they picked up birds before due date or delayed it depending on the demand which meant losses for contract growers.

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<sup>46</sup> Submitted through Gigi Manicad of Oxfam Novib

In order to serve the small holders or the resource poor farmers, some studies recommended that the crop should be suitable to them, of short duration that intensively uses the available family labor and they should have the potential for a higher income. For the farmer to evince interest in the crop arrangements for the supply of inputs, credit and extension service need to be provided. Further, the farmers should organize themselves for better bargaining power with the firm. The availability of an alternative source of income from other crops and activity would strengthen the position of the farmer vis-à-vis the firm. Suitable legislation for monitoring the contract and its implementation may be enacted to protect the farmers' interests and check their exploitation. It should be made mandatory to have written farming contracts in the local language. The contract should be signed by all the parties involved in the presence of a couple of witnesses and a copy of the contract should be given to the farmer producer. Contract farming may be registered with some local authority such as the village panchayat.

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### **How Retailers Use Power in Fresh Produce Supply Chains to Push the Costs and Risks onto Women Workers in Chile and South Africa**<sup>47</sup>

Oxfam's research with partners in 12 countries revealed how retailers are using their power in supply chains systematically to push many costs and risks of business on to producers, who in turn pass them on to working women.

In Chile, 75% of women in the agricultural sector are hired on temporary contracts picking fruit, and put in more than 60 hours a week during the season. But one in three still earns below the minimum wage. The impacts of such precarious employment go far beyond the workplace. Most

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<sup>47</sup> Submitted through Arabella Fraser of Oxfam International

women are still expected to raise children and care for sick and elderly relatives when they become cash-earners. They are doubly burdened and, with little support from their governments or employers, the stress can destroy their own health, break up their families and undermine their children's chances of a better future.

One cause of such precarious conditions is retailers' business model, promoted by companies that have tremendous power in negotiations with producers, focused on maximizing returns for shareholders, demanding increased flexibility through 'just-in-time' delivery, and tighter control over inputs and standards, and ever-lower prices. Under such pressures, factories and farm managers typically pass on the costs and risks to the weakest links in the chain: the workers they employ.

The fresh produce industry is inherently risky, but supermarkets' tough negotiations can increase that gamble. Agreements are often verbal, so there is no written contract to break. *'Only a very small portion of the fruit is traded under a signed, legally binding contract'*, explained one Chilean fruit exporter. Such informality gives buyers flexibility to delay payments, break programs or cancel orders. Farmers carry the risk of volatile prices. The volume of fruit is agreed, but supermarkets fix price margins and leave suppliers and farmers to bear any price fluctuations. *'The supermarkets are looking for a 30 per cent margin and say they want to sell grapes at 99 pence'*, said one South African grape farmer. *'So they tell the importer that he must underwrite the deal: if he can't supply them with grapes at 66 pence for the seasons, he must write them a check for the difference.'*

In South Africa's deciduous fruit sector, farmers are cutting back permanent jobs and hiring temporary and contract labor instead. All deciduous fruit farmers and more than half of wine grape farmers interviewed in a 2001 study were using contractors for some of their hiring needs. *'Bad market conditions resulted in layoffs, restructuring of the labor force and a move toward contract labor,'* explained one apple farmer, who has halved his long-term workforce in the last five years and replaced them with contract workers. *'What has happened with labor is that you can cut them out at short notice if the business profitability decreases'*. The impacts on families can be severe: a study in 2003 found that more than one third of households in a fruit producing area reported the loss of a permanent job in the last 5 years.

Low rates of union membership undermine workers' attempts to call for better conditions. In Chile, women fear being blacklisted by contractors if they speak out. Since 1993, the government of South Africa has been strengthening all agricultural workers' rights in law – but the reforms implicitly assume a 'big business, big union' industrial structure. Only six per cent of farm workers are members of unions and with few labor inspectors to ensure enforcement in this fragmented sector, farm workers may still not get adequate protection in practice.

Source: 'Trading Away Our Rights: Women Working in Global Supply Chains', Oxfam International 2004, at: <http://www.maketrade-fair.com/en/assets/english/taor.pdf>

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## **Immigrant Farm workers in the Fresh Produce Supply Chain in the United States**<sup>48</sup>

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<sup>48</sup> Submitted through Arabella Fraser of Oxfam International

In the past five years, there have been six federal prosecutions for slavery in the Florida agricultural sector alone. Agricultural contractors have been charged under slavery laws dating back to the end of the civil war for forcing illegal immigrants to work in the fields under threat of violence.

Yet, for each case of slavery, there are tens of thousands of workers living under appalling conditions. Farm workers are among the poorest--if not the poorest--laborers in the United States, with half of all individual farm workers earning less than \$7500 per year and half of farm worker families earning less than \$10000 per year. In 1998, three out of five farm worker families had incomes below the poverty level.<sup>49</sup>

An important characteristic of the U.S. agricultural labor market is:

- The farm workforce increasingly consists of recent immigrants. Currently, 80% of all farm workers in the United States are foreign-born. The vast majority (95%) of these are immigrants from Mexico.
- Recent immigrant farm workers are increasingly young, single and male. Women farm workers are therefore becoming less common. Women accounted for only 20% of crop workers in 1997-1998, down from 28% in 1989-1990. The share of women in the agricultural labor market is likely to decrease even more dramatically if the future of farm labor in the U.S. is bound up with guest worker programs: there are virtually no women hired under the current H-2A program.<sup>50</sup> Women workers today, however, are more commonly hired in the packing houses and processing plants than they are in the agricultural fields.

What enables inhumane working and living conditions to persist as the norm in the fields, packing houses, and processing plants of the wealthiest nation in the world? The paper explores two broad themes:

1. U.S. labor laws and their implementation fail to provide agricultural workers with adequate security and protection.
2. Increasingly consolidated buyers and retailers at the top of the fresh produce supply chain use their massive market power to impose purchasing practices that push the costs and risks of business down the supply chain to their suppliers (and, ultimately to the laborers at the bottom of the chain). Growers in both the tomato and cucumber growing sectors are affected by the growing concentration of their primary buyers: they in turn put pressure down the supply chain, transferring risks to growers, forcing them to take over responsibilities in processing and negotiating lower wholesale prices. The prices of tomatoes and cucumbers for growers have been going down, and small growers are 'squeezed out'. Growers try to increase their returns by keeping labor costs down.

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<sup>49</sup> U.S. Department of Labor (2000). *Findings of the National Agricultural Workers Survey (NAWS) 1997-1998: A Demographic and Employment Profile of United States Farmworkers*. Washington, D.C: U.S. Department of Labor, Research Report No. 8.

<sup>50</sup> B. Goldstein and James B. Leonard (2003) "Injustice in the Fields, Injustice in the Law: Farmworkers in the United States".

Source: 'Like Machines in the Fields: Workers without Rights in American Agriculture', Oxfam America 2004, at [http://www.oxfamamerica.org/pdfs/labor\\_report\\_04.pdf](http://www.oxfamamerica.org/pdfs/labor_report_04.pdf)

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### **Role of local purchasing – the small business Project in South Africa**<sup>51</sup>

Designed to develop the small-business sector in South Africa, the section 21-company Small Business Project (SBP) has achieved great success since its inception in 1996, policy and research manager David Christianson reports.

The programme, which is based on a market-driven approach, underlines the important role that the private sector has to play in supporting the growth of the SME sector. Essentially, the business linkage programme advises large corporates which business activities to outsource to SMEs, while also identifying and accrediting those small businesses which are capable of fulfilling the companies' supply-chain needs.

Business linkage centres have been established in Phalaborwa, Richards Bay, KOSH (Klerksdorp, Orkney, Stilfontein and Hartswater), Odi (north of Pretoria), Springs and Middelburg. Funded and owned by the corporates in the respective areas, the centres secure commitments from large companies and inform local SMEs about contract tenders.

As an example, in Phalaborwa, South Africa, the SBP managed a business linkage centre for 18 months after launching it in September 1998 with the backing of Foskor, Sasol Agri, and the Palabora Mining Company. Five years on, the centre is functioning largely on its own. In 2002 it facilitated linkages worth R150 million.

The programme is now also being implemented in Tanzania to develop SMEs there.

Source: Small Business project (October 2003): "BUSINESS GROWING BUSINESS: SBP's business linkages programme, 1998 – 2003", Johannesburg, Small Business Project, available from <http://www.sbp.org.za/docs/>

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### **Farmers and Supermarkets Zambia**<sup>52</sup>

#### **Introduction**

The Zambian consumers had enjoyed the concept of Supermarkets and chain stores well before many countries in Sub Saharan Africa especially along the line of rail and the Copper belt (urban areas). Investment was from British chain stores, and South Africa. During the early 1970 these were nationalized by government, and in 1991 they were put up for privatization as the economy was deregulated and most were unable to withstand the competition and folded up.

**Prior to Re- Introduction of Supermarkets**, most urban centers had several small to medium sized *delicatessens*, with fewer larger supermarkets that also had some few branches.

#### **Introduction of Supermarket Chains**

A consultancy company was engaged to explore the potential for Supermarkets in Zambia. There were several meetings with this company and the *Zambia National Farmers Union*. The key

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<sup>51</sup> Submitted through Ian Goldman of Khanya-aicdd

<sup>52</sup> Submitted through IFAP

discussion was the possible commodities available for supply and the number of farmers who could supply in each area.

However, as the requirements of the supermarkets were very rigorous, only a few local suppliers were on the buyers list, and the reasons were inadequacies of local producers because of supply side constraints. They were not able to meet product specifications, the quality of products was of poor quality, supplies were inconsistent and most important of all local prices were much higher.

This meant in spite of existing capacity, majority of farm products especially perishables such as dairy, poultry, pork, fruit vegetables and beef, were imported. This soon became a major problem for farmers as the Supermarkets chain had a nationwide presence, better, bigger and cleaner shops, and for the consumers' ability to have all household goods under one roof.

*The Chains were able to capture 80 % of the delicatessen trade with their network of shop in a very short period of time.*

**Method of operation;** The supermarkets had centralized supply and a single warehouse point, especially for fruits and vegetables, which were done through a procurement subsidiary.

This disadvantaged farmers as the small and medium scale farmers were further cut-off from the supply chain. Processors, who added value had to supply at a uniform price, but distribute to all stores nationwide, effectively providing a transport subsidy to the Supermarket chains. For perishable items all returns and damages were offset to the suppliers account, even refrigeration and poor handling .This was enforced through a payment delay if credit notes were not issued to allow for the refunds.

### **Farmers' strategy for post supermarkets problems**

The supermarkets were enjoying a buyers market and had a monopoly status in the trade. Farmers identified that rather than individual farmers and processors, the *Zambia National Farmers Union (ZNFU)* could on behalf of the industry provide a strong counter balance that would give a bargaining power to all suppliers (the Union represents both large and small farmers and became an important interlocutor for producers). ZNFU started by creating awareness through awareness campaigns for consumers against the effects of irregular imports that not only crowded out local suppliers, but also affected employment. This was done with the assistance of the media and `the Trade Union movement and consumer organizations. In response to this crisis, the government created a regular dialogue with the producers and agribusiness.

The crisis was real as farmers had absolutely no market. These meetings allowed for understanding with the farmers appreciating the need for quality from the supermarket and the supermarkets appreciating the problems of farmers especially in transporting perishables to the market.

To address these problems ZNFU conducted training for their members in collaboration with the supermarkets on the production of quality product and how to work on contract basis.

Farmers worked to produce quality products for Agri-business to processes that also required better and presentable packaging. This meant processors had to invest in better processing technology and packaging.

A lot of lobby work was done with the financial markets and Commercial Banks to help collateralize Agri business through market projections of the Supermarkets.

**As for the Supermarkets,** they had single buying and distribution points for perishable agricultural products, and farmers were disadvantaged on the supply side. They therefore, agreed to open additional buying and supply chains and in far off areas buy directly from farmers fields.

**Current situation;** Better and improved relations between the Supermarkets, the Farmers Union and governments .Through regular and Quarterly Meetings to discuss these and other issues, mainly to enable the farmers to better understand the *actual* market available with Supermarkets and appreciation of the concept of limited shelf space. Supermarkets understanding of local jobs and development translate into more disposable incomes, more sales and with that better acceptance of Supermarket presence. Farmer's and Agri Business ventured into Out Grower arrangements to meet supply requirements of Supermarkets. At the same time limited exports of products to other Regional stores are being done, thereby increasing the demand for local products.

At present Farmers have over 70 % of the shelf share of perishable agricultural goods in the Supermarkets .With growing prospects for an increase with the introduction of and health products.

**In conclusion** as a result of farmers facing the threat of the supermarket together it became a great opportunity for farmers.

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## **Support to the Marketing of Agricultural Products in Rural Areas- Tanzania <sup>53</sup>**

### **CONTEXT**

Over the last 15 years the Tanzanian Government has been promoting the free market economy as a means to eradicate poverty. The Tanzanian authorities are implementing a national policy aimed at improving the production, processing and marketing conditions of agricultural produces, since agriculture is one of the key-sectors that will contribute to the economy growth. At the same time, decentralization makes local governments being increasingly involved in the local development.

Since 1996, FERT is one of the main partners of MVIWATA, a national farmer's network that plays an important role in the development of the country at the roots level. MVIWATA, acknowledging that farmers, access to markets are a major curb to their economical development, has requested FERT to implement joint actions which aim is to improve the marketing conditions of agricultural produces.

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<sup>53</sup> Submitted through IFAP

The first phase of the action has consisted in the implementation from 2002 to 2005 of a program focused on the support to the structuring of four rural bulk markets in Morogoro and Kongwa Districts, in partnership with the GRET (Groupe de Recherches & d'Echanges Technologiques). A new phase has started in 2006, with the aim of reinforcing the action implemented so far, and widening their outreach.

## **OBJECTIVES**

The main objective of the Rural Markets Development Project in Morogoro and Kongwa Districts (RMDP, 2002-2005) was to support the structuring of four bulk markets that are located in areas where agricultural production is a major source of food supply to urban areas: one market in Kibaigwa village (maize) and three in Nyandira, Tawa and Tandai, in the Uluguru Mountains (fruits & vegetable).

This support to the rural markets was implemented following four major components: security of transactions, quality of marketed produces, accessibility to the markets, and transparency on market information and transactions. The main actions consisted in the construction of several important infrastructures and the set-up of local committees in charge of the markets management (market boards).

In 2006 started a new phase of the FERT-MVIWATA collaboration. Its objective is to further accompany the development of market boards, while increasing the impact of the action on agricultural producers through a direct support to farmers groups around the markets and the development of more services to the farmers.

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## **RESEARCH AND EXTENSION**

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### **Funding Agricultural Innovation: the Maendeleo Agricultural Technology Fund**<sup>54</sup>

The Maendeleo Agricultural Technology Fund (MATF) is managed by FARM-Africa and is funded by The Gatsby Charitable Foundation and the Rockefeller Foundation. The Fund supports projects that disseminate innovative agricultural technologies through pioneering partnerships using new dissemination techniques. The Fund's headquarters is in Nairobi, Kenya and supports work in three East African countries: Kenya, Uganda and Tanzania.

The Fund works by making calls for proposals and these typically elicit in excess of 500 applications at a time. An independent advisory panel of scientists and development professionals then screen the proposals against a set of mutually agreed criteria and the top 30 projects are invited to submit full proposals. Successful projects receive a grant of £30,000 to £60,000 over a two-year period.

The number of MATF funded projects has risen from seven projects in the first year of the fund (2002) to approximately 51 by 2005. Already over £2.28 million has been disbursed to projects in the region over the last three years. Many different organizations have been funded including

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<sup>54</sup> Submitted through FARM-Africa

farmers' organizations, local and international NGOs, national and international research organizations, companies and private consultants.

The overwhelming number of applications to the Maendeleo Agricultural Technology Fund indicates the vast unmet need for resources from organizations working at the grass roots in Africa to disseminate successful agricultural technologies to African small holders.

Source: Nelson, D. (2004) *Reaching the Poor: A Call to Action: Investment in smallholder agriculture in sub-Saharan Africa*, FARM-Africa, Harvest Help and the Centre for Development and Poverty Reduction, Department of Agricultural Sciences, Imperial College, London: London.

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### **Institutionalizing Farmers' Participatory Research in Ethiopia**<sup>55</sup>

The need for Farmers' Participatory Research in Ethiopia arose because conventional agricultural research was failing to respond to the demands of Ethiopia's small-scale farmers. It was felt that, by bringing formal researchers and farmers together, the capabilities and knowledge on both sides could form a vibrant innovation system that would be more effective in generating relevant research outcomes.

After approximately 10 years of working with Ethiopian government extension staff and agricultural researchers, FARM-Africa and partner organizations set out to scale-up up its FPR model and institutionalize it within the Bureau of Agriculture, the Awassa and Areka Agricultural Research Centres, the Awassa College of Agriculture and the Bureau of Planning and Economic Development.

The project focused on establishing a wide base of knowledge and skills in FPR – a concept that was expanded during the project to “Farmer Participatory Research and Extension” (FPR/E) – and creating an enabling environment for applying the approach. In a series of courses and experience-sharing workshops, the project trained a large number of government staff in FPR concepts and practices as well as in methods of training FPR. It supported the implementation of Participatory On-Farm Trials (POFTs) led by farmers. The POFTs played an invaluable role in the process of changing institutions, as they served as a means of both experiential learning and to influence senior officials through field visits to the trials.

The four years of the project were an intensive learning process for all partners. Over several evaluation events, they identified the key elements that supported the institutionalization process which were:

- working out a common understanding of the concepts of FPR/E and institutionalization;
- building on first-hand experience of POFTs in the field;
- ensuring good documentation and wide dissemination of the results;
- setting up multi-institutional support structures; and
- Accommodating the dynamics of change at a time of great institutional flux in Ethiopia.

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<sup>55</sup> Submitted through FARM-Africa

The project faced immense challenges which included: 1) trying to work within bureaucratic and rigid procedures at the same time as trying to change them; 2) moving beyond “project” thinking to a point where the institutions allocated their own funds to FPR/E activities; and, 3) changing institutional systems to reward the adoption of FPR/E. It also proved to be extremely difficult to link up the FPR/E work with effective input-supply systems. Many of these challenges remain today.

Source: Jonfa, E. & Waters-Bayer, A. (2005) *Unlocking Farmers’ Potential: Institutionalising farmer participatory research and extension in Southern Ethiopia*, Project Experience 2, FARM-Africa, London

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### **Agricultural research to support family farmers: key areas for change**<sup>56</sup>

A National Economic Foundation report entitled: ‘*A Long Row to Hoe: Family Farming and Rural Poverty in Developing Countries*’ (2006), commissioned by Oxfam GB, questioned whether enhancing the productivity of family farms is the most effective way of reducing rural poverty in the developing world.

They deduced that there is a need for a new policy action agenda in a number of key areas. In particular, they felt that agricultural research would hinder the delivery of innovations that family farmers require due to the way in which research is conceptualised, organised and pursued.

Public-agricultural research needs to move from a research stance to private sector understanding of ‘new product development’ but this would have implications on how research is prioritised, organised, managed, monitored and evaluated. They suggested the following changes:

- Redefine the organisational mission, strategy, objectives, and outputs in terms of innovation or new product development;
- Distinguish and clarify the respective roles of research and product development functions;
- Introduce, at a senior level, personnel with experience in successful new product development and management of the innovation process;
- Think systematically about potential users, methods and approaches for market segmentation, and from market research;
- Work within a more flexible and dynamic organisation, where competencies are regrouped in time-bound, new product development teams that are tasked, for example, with delivering a particular design specification;
- Emphasise the use of design specification to target more effectively the innovation development process, and pay greater attention to information design to improve the quality of the user–technology interface; and
- Modify the indicators of organisational team and individual achievement to reflect the primary goal of providing useful products/technologies to specified users.

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<sup>56</sup> Submitted through FARM-Africa

Source: Sumberg, J. & Reece, D. (2004) Agricultural research through a new product development lens. *Experimental Agriculture* 40: 295–314.

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### **An example of innovative approaches to household extension, the LRAP Program, Lesotho**

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This innovative program was undertaken by CARE SA-Lesotho from 2002-2006, funded by DFID, with the purpose that “vulnerable rural households in selected districts affected by food insecurity have improved their homestead agricultural production”. It focused on using farmer extension facilitators as a means of providing extension, working with the Ministry of Agriculture to see how policy and practice about extension to vulnerable households could be improved. LRAP promoted a number of technical methods at household level, focusing particularly on vulnerable households – the poor or very poor, and those households that are headed by a woman or a child, are caring for an orphan, or have a chronically sick family member. Often known in Sesotho as *Lirapa* (meaning ‘gardens’), the program emphasized homestead gardening as a feasible means of enhancing food security and improving nutrition. It also promoted complementary techniques such as water harvesting. LRAP demonstrated that: a range of technical methods are available in Lesotho for vulnerable rural households to use in improving their homestead agricultural production, and that vulnerable households find them broadly acceptable; Farmer Extension Facilitators are institutionally feasible, technically competent and socially acceptable as an extension approach to help vulnerable rural households experiment with appropriate methods and techniques to enhance their production. However the mechanisms for deployment of such approaches nationally were not achieved.

Another increasingly important agency for social protection is the community support group. Directly and through some of its service providers, LRAP has done good pilot work in collaborating with these groups.

Gender and HIV/AIDS have been mainstreamed into the extension content that LRAP has successfully piloted but the government’s Unified Extension System has failed to target vulnerable or female-headed households, which links into its overall emphasis on community action rather than enhanced production and livelihood security at household level. Among Ministry of Agriculture and NGO staff, LRAP’s ‘Positive Living’ program has made a major difference to individuals’ understanding and mainstreaming of HIV/AIDS; LRAP has achieved its purpose if it can show that both the technical methods and the extension approaches have been accepted not only by rural households but also by the policy and institutions of the responsible national authorities, and that national application of these methods and approaches is now feasible.

The Poverty Reduction Strategy endorses and commit government to the technical methods and extension approaches that the program has been promoting as does the Food Security Policy does so too. However, this needs to be integrated with Government’s emerging approach to decentralization.

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<sup>57</sup> Submitted through Ian Goldman of Khanya-aicdd

Source: Palesa Ndabe and Stephen Turner (2006): “Livelihoods Recovery through Agriculture Program: Impact Study, Maseru, CARE SA-Lesotho. Available from PJ Lerotholi, CARE SA-Lesotho, [PLerotholi@care.org.ls](mailto:PLerotholi@care.org.ls)

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## **R+D Extension** <sup>58</sup>

Finding ways to get public institutions to embrace innovation – specifically the use of participatory approaches – is a major challenge. Institutions of higher learning in the North and South, who are responsible for training researchers joining the African NARS, have not adequately trained professionals in participatory research methodologies (PRMs). They tend to encourage graduates to believe they have ‘elite’ status, which makes it difficult for them to accept the idea of working in partnership with farmers, where a more equal status needs to underpin the work and greater respect given to local knowledge and practical experience. A ‘learning culture’ has not been fostered in NARIs and other research institutions, largely because they are seen as sources of ‘expertise’ and therefore not in need of a system for continuous learning. There are also deeply rooted attitudinal biases in favor of the so-called ‘hard sciences’ within NARIs and other research institutions. Biophysical scientists dominate, and few sociologists, anthropologists, and rural development specialists are hired. Nor do needed skills such as facilitation, negotiation, team leadership, and managing partnerships feature in training offered. Little attention is paid to the ‘human’ and cultural factors related to the internalization and application of PRM, e.g. managing researcher-farmer power relations, handling researchers’ professional identity, nor to fostering a learning culture to encourage incorporation of PRM into the research process. Skepticism concerning the scientific rigor of PRM and limited expertise that negatively affects PRM quality also impedes use. Data and case studies that can convince research managers that PRM is necessary to make a contribution are hard to come by, partly due to the fact that it is difficult to quantify the benefits of PRM in handling social aspects of technology adoption.

To overcome these barriers, the African Highland Initiative (AHI) has invested in building the competencies of researchers and others through training courses, mentoring, exchange visits, peer review, applying participatory M&E, and using reflection sessions.

Some key insights resulting from this process, which have helped to shape field practice and future work, include:

- Team learning in the field complements individual learning. Shared field experiences and information led to the discovery of new approaches and broadened the perspectives of researchers. For example, biophysical scientists at KARI (the Kenyan NARI) recognized the need to learn more about the social and cultural dimensions of the farming community.
- Practical field sessions with farmers led to researchers ‘learning-by-doing’. Researchers gained better insights into farm system management and how research could enhance impact. In Lushoto, Tanzania, for example, an experiment on farmyard manure with Mjingu Phosphate Rock (MPR) was changed significantly from the original researcher design after farmer input. Since the Lushoto farmers did not have enough manure, the design was modified to use MPR and tughutu, a local shrub used by farmers to enhance their soil fertility.

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<sup>58</sup> Submitted through Simon Carter of IDRC

This interaction resulted in more relevant research and increased the researchers' motivation to use these methods.

- Interdisciplinary reduced tensions and competition between professionals. In conventional practice, specific disciplines operate fairly autonomously given the planning, funding, and reductionist approaches within most institutions. With the new PRM methods, reflection sessions and teamwork increased the frequency of consultations and joint field activities involving scientists and collaborating partners. For example, demonstrations on the use of green manure to improve soil fertility and crop yield required frequent consultations between agronomists, an agricultural economist, a soil scientist, and a livestock nutritionist, who worked for various R&D organizations in the area.
- Shared vision led to expanded roles and responsibilities. At the organizational level, the visioning exercise carried out in 1999 sharpened the perspective of the different disciplines and institutions involved, clarifying more precisely what they needed to do, and how they might relate to each other differently. For example, farmers would change from the role of recipients to partners in development; and researchers (and other service/support organizations) would change from being suppliers to facilitators of farmer- and community-led innovations.
- A more supportive organizational environment is needed to enhance adoption of PRM. Although learning and developing PRMs as individuals and teams has been valuable, the teams also identified a need for institutional support to make these methods standard practice. Therefore, in addition to building capacity through mentoring and the creation of 'working models' of PRM in action, AHI has begun to facilitate self-managed institutional change processes. These will encourage organizations to search for ways to provide a more supportive environment for the application of PRM.

Source: Chris Opondo, Ann Stroud, Laura German and Jürgen Hagmann (2003). Institutionalizing participatory approaches: experiences from NARIs in Eastern Africa. pla notes 48.

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### **Participatory Plant Breeding (PPB): towards more inclusive Research and Extension**<sup>59</sup>

Plant breeding is a well established methodology. The crucial question for PPB is how to involve new partners in the breeding process, which would not only result to good seeds but for many projects, such as those co-supported by Oxfam Novib, led to the empowerment of farming communities. In this regard farmers play a central role as key sources of knowledge and materials aimed at developing seeds that are relevant to the conditions and practices of diverse communities world-wide. After 10 years of PPB pilot projects, a study was conducted to cover 10 projects in Asia, Latin America and Africa involving diverse crops in diverse environments from extremely marginal to favorable production areas. Documentation has been major bottleneck; under farmer conditions it was difficult to standardize data collection. Hence, a quantitative cross analysis of cases was not possible. Nevertheless, results were very tangible. Most of the cases led to the development of superior materials in a relatively short time. PPB initiatives have generated

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<sup>59</sup> Submitted through Gigi Manicad of Oxfam Novib

adapted cultivars where other approaches have failed or yielded less adapted materials. Even in very harsh conditions such as in Mali, there was a yield improvement of 10-20 %. Most of the PPB materials have generally been rapidly distributed through farmer seed systems. They were unhampered by the need for formal registration procedures or problems with timing, inadequate supplies and distribution that are sometimes encountered by the formal seed system. The study highlights the ability of farmers to select and develop planting materials that best satisfy their requirements and to decide which materials, and in what stage is suitable for use. PPB seems most advantageous in situations not covered by formal plant breeding. It still is an open question whether PPB offers advantages in favorable high production environments. So far, in high-production environments in Vietnam, PPB has been reported to increase the diversity of varieties within farmers' fields and some farmers are entering their own varieties in the seed market. While PPB appears to stress local adaptation, it does not necessarily result in narrow local specificity. PPB-bred varieties of rice from Nepal did well in comparative trials in the hills of Bangladesh. In Nicaragua, there are indications of increased incomes, which led households to improve their houses and diets and bought better school gear for their children. The actual costs of PPB programs would seem to be relatively low compared to their impact, although reliable cost estimates are not yet available.

Farmer empowerment is often a primary PPB objective. NGOs like SEARICE (based in the Philippines) use the Farmer Field School approach in enabling farmers to learn and co-generate knowledge. Tangible knowledge and results are embedded in e.g. the development farmers' varieties. Moreover, a social change agenda is often associated with the efforts of the poor to analyze, understand and reform the social, economic and political structures that cause their poverty. However, these processes still need to be analyzed and systematized to identify tangible results. And while often women play a strong role in many of the cases, a more gender focused PPB still needs to be developed.

A major problem is that the PPB varieties often fail to comply with national crop improvement and seed regulations. In farmer seed systems knowledge about the seed producer and his (and often her) reputation is often taken as a proxy of quality. The sustainability of PPB depends on the practices becoming integrated with national plant breeding institutions and an integral component of national agricultural and social development policies and programs. This requires formal recognition that farmer seed systems are an important component of national seed supply. To achieve this, stakeholders in PPB need to join forces and emphasize their common interests (rather than the differences in approaches) and form a united platform.

Source: Almekinder, C, and Hardon, J (eds) 2007 in "Bringing Farmers Back into Breeding. Experiences with participatory Plant Breeding and Challenges for Institutionalization. Agromisa Special 5. Wageningen.

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### **Planning for Small Scale Irrigation Intervention, Ethiopia**<sup>60</sup>

Abundant examples of failed and failing small-scale irrigation (SSI) interventions exist throughout Ethiopia. However, when SSI is undertaken in the right circumstances, and done well,

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<sup>60</sup> Submitted through FARM-Africa

the benefits can be significant. This study compiled the key lessons regarding SSI that have been, or are being learnt, by the Ethiopian Government and NGOs operating in the country.

With regard to the nature and use of SSI interventions, it was felt that the proximity of suitable water resources to appropriate land was frequently not considered in sufficient detail. The over-emphasis on engineering and physical structure of SSI, rather than focusing on improvements to farmer livelihoods through SSI, coupled with poor engineering and limited durability of structures, has led to the failure of some SSI projects.

Soil salinisation, water logging, erosion and soil nutrient mining were common problems of irrigation systems. New or improved SSI can introduce or increase competition for water resources and thus exacerbate conflict between upstream and downstream users. The legal and regulatory framework for resolving these issues over water rights is often absent. The lack of legal status for Water Users' Associations can also present a challenge as they are unable to access credit or hold bank accounts.

The introduction of SSI may require significant changes in community organization and management. Traditional community structures are often ignored leading to overlap, confusion and even exclusion of certain groups as they try to manage the new SSI schemes. SSI has, in some cases, been used as part of the strategy to settle pastoralists forcibly which can damage the long-term social cohesion between nomadic pastoralists and settled farmers.

In some cases, there was a lack of consultation with farmers regarding SSI interventions or limited farmer learning and experimentation leading to the SSI not being adopted. Labor was sometimes neglected when considering the cost and benefits of SSI. This oversight is of particular concern as farmers are frequently burdened with the intensification of agriculture and the impact of HIV/AIDS that results in a shortage of adult labor to implement these schemes.

The impact of SSI on women is often ambiguous. While the labor-intensive nature of SSI may result in a reallocation of women's time away from other household duties, SSI may lead to positive effects such as an increase in income from women's agricultural activities and an increase in the diversity of families' nutrition.

Source: Carter, R. & Danert, K. (2006) *Planning for Small-Scale Irrigation Intervention*, Working Paper Series, No. 4. FARM-Africa, London

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### **Land Reform and its Impact on Livelihoods in South Africa**<sup>61</sup>

When the new South African Government came to power in 1994, it embarked upon an ambitious land reform program. One of the key objectives was to provide poor people with an additional asset that they could use to develop strategies to escape from poverty.

The program has begun to change the land ownership pattern in the country, albeit at a very slow pace, but there is little evidence to show how land reform beneficiaries are using their land and whether it is reducing poverty.

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<sup>61</sup> Submitted through FARM-Africa

FARM-Africa, a British based NGO, has been working in the land sector for over 10 years in the Northern Cape province of South Africa. Its first intervention was to support the Riemvasmaak community, the first restitution project in the country to develop their farm. In 1999, FARM-Africa launched a new project in the Northern Cape with the aim of developing the technical agricultural and managerial skills of eight land reform groups to enable them to develop their farms.

This report is based on a study which formed part of that project. It examines the assets, activities and income sources of a random sample of 118 households chosen from the land reform groups, looking at changes in assets and incomes between 2001 and 2003.

The findings showed that the majority of households in the sample had limited asset holdings, and were involved in a narrow range of activities. In general the poorer households were highly dependent upon public transfers, in particular old age pensions and disability allowances.

The rich, who had larger asset holdings, avoided poverty by successfully accessing the labor market. While most households had increased their livestock holdings, there was little evidence to demonstrate that they were making agriculture a more significant part of their livelihoods.

Moreover income derived from their land was a small proportion of total household income. Considering the low levels of technical agricultural and managerial support available from the government, the dry climatic conditions in the Northern Cape and the competitive nature of South Africa's agricultural market, the decision by households to treat agriculture as only a minor component of their livelihood strategy is rational.

Source: Bradstock, A. (2005) *Land Reform and its Impact on Livelihoods*, Policy & Research Series 4, FARM-Africa, London

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## **Experiences of Land Reform in South Africa**<sup>62</sup>

Following the historic elections in 1994, the South African government embarked on an ambitious land reform program to redistribute and return land to previously disenfranchised and displaced communities. However, many black people lack the knowledge, skills and experience needed to manage their land. In close collaboration with the provincial government of the Northern Cape, FARM-Africa has been working since 1995 with communities in the province who have benefited from the land reform program.

The main aim of FARM-Africa's Northern Cape Land Reform and Advocacy program is to contribute significantly towards improving the well-being of land reform communities and reduce poverty in the region. An additional objective is to strengthen the capacity not only of emerging black farming communities to manage their land more effectively and efficiently but also of the Departments of Agriculture and Land Affairs so that they can support the land reform process better.

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<sup>62</sup> Submitted through FARM-Africa

It was evident to the FARM-Africa team that the way in which the government is implementing its land reform program is constraining many of its beneficiaries from making agriculture a more important element of their livelihoods. Some of the problems include the distance that many communities have to travel to access their land, which, in some cases is up to 300 kilometers from where they live. Another was the lack of education and skills among community members for effective organization and planning. Meanwhile, the lack of infrastructure such as broken or inadequate machinery, coupled with the inability to access the funds to replace it, further hindered farmers' ability to realize the potential of their newly acquired land.

FARM-Africa's experience, gained over nine years of working with land reform communities, indicates the need for the government to invest more heavily in the pre-designation phase of the land reform process. Frequently many of the problems experienced by land reform groups in the post-designation phase can be traced to issues that were inadequately discussed before the land was transferred, and often the problems are more difficult to resolve after the pre-designation phase.

This publication highlights key problems and lessons learned from FARM-Africa's experience of working with land reform communities in the Northern Cape province as well as providing recommendations that will enable land reform communities to use their land more effectively.

Source: Bradstock, A. (2005) *Key Experiences of Land Reform in the Northern Cape Province of South Africa*, Policy & Research Series 1, FARM-Africa, London

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### **Challenging scientific and policy interventions on biodiversity and people's livelihoods strategies**<sup>63</sup>

Biodiversity provides for goods and services that sustain our lives. Yet the balance between environment and development remains a difficult one. Worldwide, a number of Civil Society Organizations that are supported by Oxfam Novib are working for a better understanding between nature and society and in enhancing the local and indigenous peoples' participation in the governance of natural resources. A growing number of programs and studies in Asia, Latin America and Africa highlight the ineffectiveness of reductionist approaches and calls for integrated disciplinary and multi-stakeholder approaches to effectively work with local people to enhance livelihoods and biodiversity management. Within scientific institutions for example, the value and use of biodiversity in nature on the one hand, and on-farm biodiversity on the other hand have largely been researched within two separate scientific fields and disciplines, agronomy and ecology, with little interaction between them. However, in people's daily lives, they are integrated.

Nature and agro biodiversity are livelihoods assets that are actually managed by people, women and men, and are closely related to social and institutional assets. The distribution and control of these assets are not equal. For instance, people's weak power position could erode their rights to maintain their natural assets. In terms of people's livelihood strategies, biodiversity provides: (i) food security through options on which crops to grow depending on climate, labor and market variables; (ii) a safety net through a variety of medicines, dietary supplements and additional sources of income; and (iii) risk management through diversification of sources of income,

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<sup>63</sup> Submitted through Gigi Manicad of Oxfam Novib

reducing vulnerability to crop failures, and relief during seasonal hunger and environmental stress and disasters. Biodiversity conservation programs should not separate the people from their environment. While the diversification of people's on-farm incomes is important, this is not the only solution to their livelihoods. Conservation interventions should include the enhancement of people's co-management and sustainable use of natural resources.

New models and collaborative mechanisms may be equally relevant for policy development. Like in science, the issue of biodiversity is dealt with in different realms and is consequently often fragmented. Nature management and natural biodiversity are often the responsibilities of Ministries of the Environment, whereas the Ministries of Agriculture mostly keep the mandate on genetic resources for food and agriculture. New, international initiatives require the close collaboration within and between ministries. Likewise, policy making in the context of the Convention on Biological Diversity and International Treaty for Plant Genetic Resources Related to Food and Agriculture should recognize the interference between agricultural practices and biodiversity management as well as the major significance of local community perspectives, including women, and the formation of joint teams, at local, national and international levels. In this way, policy makers can develop joint set of definitions, goals and evaluation criteria to effectively manage biodiversity in all its diverse forms and at different levels. In the same vein, conflict management to solve regarding land and water use should take care to integrate all livelihood assets, including natural and biological resources. Such approaches might simultaneously contribute to two Millennium Development Goals, i.e. the goals of eradicating extreme poverty and hunger, and ensuring environmental sustainability respectively.

Sources: Pimbert, M. (2007). Transforming Knowledge and Ways of Knowing for Food Sovereignty. London: IIED.

<http://www.iied.org/pubs/search.php?a=Michel%20Pimbert&x=Y>

Visser, B., Manicad, G., van der Meer, P., Louwaars, N. (2005). "Changing Perceptions on Biodiversity Management." Managing biodiversity at the interface between nature and agriculture". North-South Policy Brief 2005-4. Wageningen: North-South Centre.

[http://www.wi.wur.nl/NR/rdonlyres/FADBC382-F7C9-4D2E-B39D-209AF3C32D2/8809/Policybrief\\_mei\\_2005\\_4.pdf](http://www.wi.wur.nl/NR/rdonlyres/FADBC382-F7C9-4D2E-B39D-209AF3C32D2/8809/Policybrief_mei_2005_4.pdf)

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## Organic Agriculture and Poverty Alleviation<sup>64</sup>

Organic Agriculture is a holistic production management system, which enhances agro-ecosystem health, utilizing both tradition and scientific knowledge. Organic agricultural systems rely on ecosystem management rather than external agricultural inputs. The International Federation of Organic Agriculture Movements (IFOAM) unites about 800 affiliated organizations in over 100 countries. Almost half of them originate from a Developing Country, some of them representing 3000 to 5000 small holders.

### Organic agriculture contributes to Poverty Alleviation by:

Increasing and stabilizing yields; organic practices prevent nutrient and water loss through high organic matter content and soil cover. In the Tigray Experience in Ethiopia, which includes 42 communities, yields sometimes doubled compared to chemical fertilized fields and more than tripled compared to non-treated fields. The increased yields also improved net incomes, as there are no costs for inputs. The project shows that environmental rehabilitation is basic to improving productivity of crops and livestock.

Helping farmers to adapt to climate change as soils are more resilient to floods, droughts and land degradation processes. The Educational Corporation for Costa Rican Development, CEDECO, undertook a novel investigation of the role played by organic farms in respect to the emission of greenhouse gases. Fifteen small and medium-sized farms are being investigated in different regions of Costa Rica. The study includes: quantification of emission reduction, appraisal of carbon sequestration, energy efficiency on the farms and tools to determine, monitor and interpret farm decision-making through socioeconomic evaluation. Preliminary conclusions reveal that Organic Agriculture delivers environmental services like conservation of biodiversity, aquifer protection, greenhouse gas emission reduction and carbon sequestration, among others. This again improves the stability of the agro ecosystem that farmers depend upon, and so the stability of yields over the years.

Improving resistance to pests and diseases. The Vutu sukumu (push-pull) management strategy, as developed by the ICIPE in Kenya, has found extraordinary multi-functionality in a range of fodder grasses and legumes in cereal systems. The strategy involves trapping pests on highly susceptible trap plants (pull) and driving them away from the crop using a repellent intercrop (push). The ICIPE has found that intercropping maize with the fodder legume *Desmodium uncinatum* and *D. intortum* (both capable of fixing nitrogen) reduced infestation of parasitic weed *Striga hermonthica* by a factor of 40 compared to a maize monocrop.

### Sources:

Araya, H. and S. Edwards (2006) The Tigray Experience. A success story in Sustainable Agriculture. Third World Network, Penang, Malaysia.

Castro, J. and M. Amador (2006). Greenhouse gas emission and Organic Agriculture. Cedeco, Apdo. 209-1009, San Jose, Costa Rica.

Khan, Z.R., J.A. Pickett, J. van der Berg & C.M. Woodcock (2000) Exploiting chemical ecology and species diversity: stem borer and striga control for maize in Africa. Pest Management Science 56 (1), 1-6

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<sup>64</sup> Submitted through Gigi Manicad of Oxfam Novib

## **Linking Universities in Research, Training and Extension – a case study**<sup>65</sup>

To make research results more useful and higher education more practical with indigenous knowledge, RDRS (a development NGO in Bangladesh) has signed MoU with 3 agricultural universities of Bangladesh and involved farmers and students in the research activities at farmers field. It is a demand driven research program and farmers identify their problems in order to conduct the research in the locality. The program has allowed the students to get access to farmers, their problems and the farming environment for their MS/PhD research. With positive results accruing from the exposure of teachers and students to the farmer's reality and following dialogue at policy level, both universities and RDRS have agreed to replicate themselves-the student internship research program because of the following benefit:

- Strengthening the capacity of students to address the problems in a practical manner and in real farm based situations
- Making research findings to overcome their identified field problems
- Adoption percentage and degree of immediate response is higher than traditional research findings
- Cost effective and relevant to the end users

The research findings are shared with local farmers, different organizations through Field Day and workshop, and used as a valid document. Since 2000, 150 MS students have completed their research program and 4 Ph.D. programs are on-going.

Ms. Bulbuli - an RDRS farmer - conducted experiment under farmer student participatory action research on hybrid rice seed production, where a student from Bangladesh Agricultural University was directly involved. She engaged herself in her rice field along with a student from the aforesaid university collecting data jointly. " I am very pleased to conduct my research field work on hybrid rice seed production as it is demand led research in the community and as no one in our community can afford to purchase the same every year for it's higher price - Ms. Bulbuli said". To the question why she gets involved in research, she promptly replies, "I only know that it is a good technology when I have seen it with my own eyes. Hybrid rice is said to give much higher yields than modern varieties, and if it works I will adopt it and promote it in the community". Hybrid rice seed production in farmers field by the farmers is not an easy technology and new to Bangladesh, but Bulbuli is determined to give it a try.

Ms. Bulbuli successfully produced 135 kg hybrid seeds (A line) from her 33 decimal of land and gained \$ 160 as net profit. It is almost double from traditional production practice. Now she is using her own produced hybrid seeds for cultivation of hybrid rice and is selling the excess seeds to the market. "Participatory and demand led research in the locality is the best way to adopt and extend the technology"- she added.

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## **University linked to Community Seed Business: From Survival to Growth – A Case Study**<sup>66</sup>

<sup>65</sup> Submitted through Kamaluddin Akbar of RDRS-Bangladesh

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RDRS (a reputed NGO in Bangladesh) has been facilitating its Federations (apex of groups of poor people) to develop improved seed promotion technologies and marketing. The Federations play a vital role to adopt and disseminate the proven technologies in the community. They form a 5 members “Seed Committee” to run the entire seed promotional activities. RDRS and seed committee prepare annual work plan for seed promotional activities. Seed growers are selected based on their land suitability & interest. Seeds are procured from the trained seed growers and are stored in federation seed store. RDRS provides revolving fund with 40:40:20 profit sharing basis. Forty percent of total profit goes to 5 members seed committee. Next 40% is provided to RDRS for technical assistance and credit support, and rest twenty percent goes to Federation’s members.

The resource poor farmers face difficulties in producing quality seeds due to pest damage, fluctuation of market price, artificial crisis by the middleman, and consumption during food crisis etc. To address this problem, a new strategy is added for the Federation to purchase/preserve quality seeds in organic seed cocoon. RDRS purchased an organic seed cocoon (made of PVC) for action research in 2001 with a cost of \$ 1500 from the Grain Pro International, USA. An MS student of agricultural university with one Federation carried out a participatory research on seed storage using different devices. The research revealed that Organic Cocoon maintained higher seed health of rice at satisfactory level of moisture content 13.43%, oxygen level 5.29%, live insects 16.93% and germination 85.29% compared to traditional devices/ Jute sacks (moisture 15.31%, oxygen level 20.47%, live insects 83.07% and germination 71.71%).

This research finding has brought confidence in the Federation for quality seed storage, has eventually led to increased access of farmers to quality rice seeds and thereby promote the growth of seed business. One Federation has earned a net profit of \$ 2,000 after all costs and depreciation of cocoon since 2001 from storing a total of 103 MT of rice seed with a revolving capital of \$ 3,000 (90% being supported by RDRS). To this effect, the seed business program has already been replicated using organic cocoon to another 15 federations in Northwest Bangladesh.

It is observed that the seed production area has been increased to more than double i.e., during 2001 average land employed per farmer for seed production was 34 decimals, which has been increased to 95 decimals in July 2005 over a period of five years. This indicates a significant expansion of quality seed production at the vicinity of farmers that may be due to the implicit merit of its profitability. Rice yield has been significantly increased by more than 50% from a lower yield base of 3.5 ton/ha indicating a potential for direct improvement in rice production and thereby food security of poor farmers.

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## **SUBNATIONAL INSTITUTIONS**

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### **Territorial institutions <sup>67</sup>**

« La Montañona » is a commonwealth of seven rural municipalities sharing a mountain of the same name in the Department of Chalatenango in El Salvador. Of 335 Km<sup>2</sup> in extension, La Montañona is an interesting case of a new type of territorial institution working between the local (municipal) and the departmental (provincial) levels for progressively addressing complex development issues. It is a result of a variety of social responses that have included committees,

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<sup>67</sup> Submitted through Gilles Cliche of Rimisp

alliances and social networks concerned with environmental management and coinciding with the country's post-civil war reconstruction period and its rural development efforts. The municipal association was built around a territorial identity (as opposed to a politico-administrative region) which enables the implementation of territorially-based projects, a new perception of the territory, and the practice of a form of pluralistic government that can upset the party differences in the local member governments.

One of its primary actions has been negotiating and enabling the construction of a road uniting the seven municipalities of the association. This collective action was quick in making visible the benefit of the association for each of its members, and in doing so it consolidated its membership. Addressing more complex issues has required the creation of a Technical Unit and participation of the international donor community. Progress has further been made in the implementation of projects in water management and protection of natural resources, water and sanitation, cultural and ecological tourism and diversification of livelihood strategies. It continues to represent an experiment in institutional development functioning in an autonomous way in terms of the form of relations with actors and executing agents. Tackling productive transformations requested by the communities continues to constitute a challenge for the association and for getting the attention of the central government for whom Chalatenango is marginal in the national development policies more geared at attracting investments in the eastern part of the country.

Source: Ileana Gómez, Margarita García, Silvia de Larios (2004). *La Gestión Territorial Participativa hacia la Búsqueda de Medios de Vida Rurales Sostenibles: El caso de la Mancomunidad la Montaña*. Programa Salvadoreño de Investigación sobre Desarrollo y Medio Ambiente (PRISMA). Grupo Chorlaví.

<http://www.grupochorlavi.org/desarrolloterritorial/docs/PRISMA.pdf>

Regional Learning Network of Rural Indigenous Municipalities on Governance and Sustainable Livelihoods, coordinated by Rimisp – Latin American Center for Rural Development.

<http://www.rimisp.org/ramri>

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### **Role of sub national levels – use of Community-Based Planning**<sup>68</sup>

Much work has been done on decentralization of activities to local government, or to states. This is a standard ingredient of many World Bank Public sector Reform Programs, such as the Local Government Development Program in Uganda, the Rural District Council Capacity Building Program in Zimbabwe. Many of these have demonstrated that it is possible to improve capacity at local government level, and some of the key elements for this (capacity building processes, district development funds, graduated support depending on capacity etc). However in many cases this has not made the links between local government and the people any stronger. For this reason partners in Uganda, Ghana, Zimbabwe and South Africa to look at how to strengthen participatory planning processes at community level, the influence these have on resource allocation as well as empowering communities to plan and manage their own development. This program developed and piloted a participatory planning methodology in the 4 countries, which was adapted in each and has been adopted as national policy in Uganda (the Harmonized Participatory Planning Guide) and in South Africa (Community-Based Planning). When this is

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<sup>68</sup> Submitted through Ian Goldman of Khanya-aicdd

linked with funding of communities as espoused in the CDD approach, this has the potential for strengthening community's ability to plan and manage their own development.

Source: CBP Partners (October 2003): "Making the link between micro and meso: learning from experience of Community-based Planning (CBP)", Natural Resource perspectives 88, London, Overseas Development Institute.

#### **Annex 4: Post-report comments by participants**

The following are comments on the consultation report that participants were invited to make and have chosen to make where in disagreement with (part of) the report.

##### **1) Amendments to WDR2008 Civil Society Consultation Report <sup>69</sup>**

###### **On the Section on Global Issues and Institutions:**

Food is a basic human right which supersedes all other concerns, including property rights, commercial advantage, free trade and the dictates of the markets. Decentralized and democratic systems of food production and distribution are essential to people's participation in ensuring food security. Therefore trade policies should be formulated and implemented with a view to enhancing and not diminishing social equity and ecological sustainability in both importing and exporting countries. Prices of goods should reflect environmental costs, to eliminate the unfair advantage given to multinational agribusiness companies.

###### **Proposed rephrasing of sentence: "Finally more funds should be made available to the CGIAR system to undertake such an agenda."**

Thus, there is a need to support public agricultural research, even as CSOs continue to advocate for changes and reforms in both the systems of CGIAR and National Agricultural Research Institutions, as well as in the broader arena of global public policy.

###### **Definition on Food Sovereignty (from the Political Statement of the NGO/CSO Forum for Food Sovereignty/June 2002, Rome, Italy)**

Food sovereignty is the RIGHT of people's, communities and countries to define their own agricultural, labor, fishing, food and land policies which are ecologically, socially, economically and culturally appropriate to their unique circumstances. It includes the true right to food and to produce food, which means that all people have the right to safe, nutritious and culturally appropriate food and to food-producing resources and the ability to sustain themselves and their societies.

###### **On Access to Land and Agrarian Reform:**

Undertake genuine agrarian reforms that consolidate ownership, control and management of resources by small farmers. Access to land brings livelihood, achieves sustainable management of resources, reduces social tensions and conflicts over natural resources, and improves overall peace. Tillers- and user-rights should precede other property rights. There is a need to institute clear guarantees of rights of women to land and resources. With regard to market assisted land reforms, a broad section of CSOs has come to believe that: a) markets are insufficient instruments in the highly unequal societies, where there is no level-playing field; b) market transactions themselves are not reform especially when sales are based on prevailing market rates; and c) as it relies mainly on negotiation between the rich landowners and poor farmers, the price determination as imbedded to market power, lies with the landowner.

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<sup>69</sup> Submitted by Nathaniel Don Marquez, Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC).

In relation to land administration projects, CSOs have been pointing that land administration is not reform, nor should land administration replace agrarian reform. In fact, land administration provide fertile ground for corruption and political patronage whether in allocating rights, agreeing to change of land use or legitimizing historical injustices such as land grabbing or eviction of tenants and occupants. Land titling is not the only means for securing land rights. Customary land systems have long existed, and have been proven to be resilient in many parts of Asia.

### **On Vulnerability of Farming Communities:**

The impact of disasters has to do with the increasing vulnerability of communities to food security and further plunges them to the poverty ladder. Governments must recognize and build local capacities to facilitate recovery from, and mitigate the effects of disasters. Investments in disaster mitigation and preparedness of households are still the most cost-effective use of emergency assistance. This includes for instance progressive risk and hazard mapping done in a participatory manner.

### **On GMOs:**

There is a need to protect the seeds, being the basis of food and life itself, for the free exchange and use of farmers, which means no patents of life and a moratorium on the genetically modified crops which lead to the genetic pollution of essential genetic diversity of plants and animals. Riches of cultures in countries are heavily related to its heritage. Seeds and biodiversity is part of such heritage. Massive introduction of GMOs endangers local riches in biodiversity. GMOs make farmers dependent on the producers of these “unnaturally” produced seeds of life. Food self reliance and self sufficiency is jeopardized. Policies to protect communities from dependency can be developed with regard GMOs. GMO seed products should only play a specific supportive role to existing local seed resources. GMOs should only be allowed if ever on isolated, areas and for emergency cases.

Enhance the need to respect both the “precautionary principle” and not to politically impose on unknowing people through permits of their governments the entry of untested GMO product on the food chain even on its testing or validation stages for safety, to avoid contamination of existing biodiversity. Labelling of GMO products has to be a must once the product reaches the market. Labeling provides information for the consumer to have choices.

### **On Research and Extension:**

There is a need to recognize and reward farmers as the main source of intellectual innovation in agriculture, and as caretakers of biodiversity for food and pharmaceuticals. Recognize all ex-situ collections as common global property resources. The system of intellectual property rights must be decentralized and taken away from private control. As a starting point, the research agenda of agricultural research institutions should focus on reducing poverty situation of farmers with the use of modern or improved technology, support systems in post harvest facilities and marketing. A wholistic view of the problems of agriculture, looking at a complete package from seed to shelf rather than mere technological researches will provide meaning to research and extension.

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