

Distribution: Restricted
Original: English

EB 99/66/R.27
Agenda Item 9(d)

7 April 1999
English



IFAD
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
Executive Board —Sixty-Sixth Session
Rome, 28-29 April 1999

REPORT AND RECOMMENDATION OF THE PRESIDENT

TO THE EXECUTIVE BOARD ON A PROPOSED

TECHNICAL ASSISTANCE GRANT

FOR

IFAD ASSISTANCE TO THE
FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
(FAO)/NETHERLANDS CONFERENCE
ON THE MULTI-FUNCTIONAL CHARACTER OF AGRICULTURE AND LAND
(MAASTRICHT, 13-17 SEPTEMBER 1999)



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ABBREVIATIONS AND ACRONYMS

CCD	United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa
CSD	United Nations Commission on Sustainable Development
FAO	Food and Agriculture Organization of the United Nations
IAC	International Agricultural Center, Wageningen, The Netherlands
LDC	Least developed country
NGO	Non-governmental organization



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I submit the following Report and Recommendation on a proposed technical assistance (TA) grant to support IFAD Assistance to the Food and Agriculture Organization of the United Nations (FAO)/Netherlands Conference on the Multi-Functional Character of Agriculture and Land (Maastricht, 13-17 September 1999, in the amount of USD 245 000 for a period of one year.

I. INTRODUCTION AND BACKGROUND

1. With the support of IFAD, the Ministry of Agriculture, Nature Management and Fisheries of The Netherlands and FAO are in the process of organizing the Food and Agriculture Organization of the United Nations (FAO)/Netherlands Conference on the Multi-Functional Character of Agriculture and Land, which is to be held on 13-17 September 1999 at the Maastricht Exhibition Centre in Maastricht, The Netherlands. The participation of the widest possible spectrum of stakeholders will be sought, including international organizations and non-governmental organizations (NGOs) from over 200 countries. IFAD's support and assistance as a major partner has been sought in this regard.

2. Agriculture fulfills multiple functions at multiple levels — strategic (food security, including nutritional aspects), economic (employment and income), social (viability of rural communities) and ecological (environmental protection, natural resource conservation, including biodiversity, the prevention of disasters, such as floods and landslides, and protection of rural landscapes) — which should be factored into the decision-making process so as to promote synergies between such functions and reconcile the interests of diverse stakeholders. An efficiently functioning process is based on capitalizing on and improving information flows both within and across decision-making hierarchies by means of a participatory approach. There is an emerging consensus that development should move from focusing solely on agriculture to serving a broader concern, i.e. rural welfare, but this broader vision requires a better appreciation of the multiple functions of agriculture and the interactions between different patterns of land uses and land users. The vision provides the framework for integrated land management plans, options for sustainable use and management that address often-conflicting stakeholder objectives. For the most under-privileged marginal and small farmers struggling for survival in the inherently low-potential agro-ecological areas, such as semi-arid zones and uplands, the multi-functional approach should not however detract attention in terms of diverting resource flows away from basic productivity enhancement through appropriate technology applications. The overriding obsession to report successes so as to guarantee public support has too often channelled research and technology development investments towards the better-endowed “high-potential” areas.



3. A strong participatory bottom-up approach has been adopted from the outset in preparing for the conference. Selection of a few priority subject areas within the broad theme has been almost exclusively guided by an analysis of the results of a thoughtfully-conceived, extensive scoping process from a wide variety of stakeholders through electronic questionnaires. Feedback and inputs from other United Nations agencies, developing and developed countries and NGOs have been duly taken into consideration.

4. The overall aim of the Food and Agriculture Organization of the United Nations (FAO)/Netherlands Conference on the Multi-Functional Character of Agriculture and Land is to map out an integrated strategy and operational plan that takes due account of the multiple facets of investments in agriculture and land impinging on the livelihood of small and marginal farmers in rural areas. The specific objectives are to:

- Take stock of experience and lessons learned in addressing the significant pressures on agriculture and land resources based on : (i) implementation of Agenda 21, the blueprint for action emerging from the United Nations Conference on Environment and Development held in Rio de Janeiro, Brazil, in June 1992, with specific reference to integrated land management and sustainable agriculture; (ii) implementation experience regarding various conventions, namely those on biological diversity, climate change and desertification; and (iii) concepts developed and perfected over the last decade.
- Clearly analyse linkages between the multi-functionality of agriculture and international trade discussions, particularly with regard to a completely liberalized global trading regime and domestic protection through subsidies.
- Generate a synthesis of success stories and success factors towards attaining ecological sustainability in terms of an enabling socio-economic environment, including institutional and policy instruments.
- Outline recommended implementation strategies based on the above.
- Identify a *modus operandi* and chart an operational course for integrated land management and sustainable agriculture at both the national and local levels, well into the twenty-first century.
- Serve as a milestone in the preparatory process for the Eighth Session of the United Nations Commission on Sustainable Development (CSD-8) in 2000, the sectoral theme for which will be “Integrated Planning and Management of Land Resources”.
- Provide an input for the Special Session of the United Nations General Assembly in 2000 (also called the Millennium Assembly).
- Ensure continued additional follow-up on the conference theme by identifying potential linkages with CSD-9, which is to focus on energy and transport.

5. The preparatory process is intended to culminate in the production of two reports — an issues (concept) paper and a stocktaking (case studies) paper. The issues paper will spell out the multiple functions of agriculture, document the varying demands on agricultural land, and provide a country policy framework backed up by decision support systems aimed at the fullest possible civil-society participation. The outline of the issues paper has been agreed between FAO and the committee set up in The Netherlands for the purpose, an editorial committee is being formed, and ideas will be



solicited from international partners (United Nations and other multilateral/bilateral partners) and individuals (academics, policy-makers and NGOs) for consolidation as background documents. At the same time, cogent contributions from electronic consultations will be incorporated. The multi-functional character of the agriculture and land issues concept will be examined in terms of (a) food security; (b) urbanization; (c) population-carrying capacity of land; (d) conflicting demands on land from multiple stakeholders; (e) marketing and trade; (f) incentives for the adoption of pest practices; and (g) environmental awareness of agro-biodiversity, soil and water management and carbon sinks. Final production of both papers is scheduled for May 1999.

II. RATIONALE/RELEVANCE TO IFAD

6. IFAD can play an active role in preparing the conference, in line with its mission and specific mandate, by creating a multiplier effect and generating substantial value-added. Its involvement in the whole process will not only influence the attainment of conference objectives through strategy formulation and priority-setting, but could well leave behind a major imprint and attain global recognition. Over the longer term, and particularly within the context of CSD-8, IFAD possesses a comparative advantage *vis-à-vis* other organizations regarding the rural economy, with the agricultural sector acting as the engine for such economy. This experience, combined with its strong involvement in increasing productivity in marginal areas, particularly in dry lands, means that IFAD is well suited to contributing effectively to the preparation, proceedings and conclusion of the conference, which in itself is an important stepping stone to CSD-8. IFAD's involvement will ensure that the issue of rural poverty and its linkage with the environment and the importance of the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa, receive adequate attention and emphasis. Furthermore, as focal institution for the Popular Coalition to Eradicate Hunger and Poverty, IFAD can ensure that the significance of, and opportunities and innovations for, improved access to land and tenurial security by the rural poor are emphasized in relation to sustainable land management and environmental practices.

III. THE PROPOSED GRANT

A. The Scoping Process

7. The scoping phase of the preparatory process lasted from July to October 1998, and met with great success: some 130 high-quality contributions, helping define the scope of the conference, were received from all over the world. The geographical distribution was: 31 from Western Europe, 29 from Latin America, 23 from Asia, 17 from sub-Saharan Africa, 16 from North America, 7 from the Middle East/North Africa, 2 from Australia/Oceania and 2 from Central/Eastern Europe. The responses emanated from a wide variety of organizations, i.e. 40 government institutions, 34 NGOs, 37 universities/research centres, 12 private organizations and 4 inter-governmental organizations.

8. The scoping process also constitutes a significant input for the second main preparatory phase, i.e. stocktaking.

B. The Stocktaking Process

9. The stocktaking process, which took place during February and March 1999, is aimed at highlighting experiences (case studies) with positive land use-generated social, economic and ecological changes over the last 10 years. Such case studies have been collected between December 1998 and March 1999 both through an electronic questionnaire and an e-mail conference. All case studies submitted will be considered for inclusion in a compendium in CD-ROM format. Following evaluation of all submissions, five will be selected to be showcased at the conference.



10. In parallel with and complementary to the questionnaire survey, an e-mail conference was organized by FAO and the Government of The Netherlands from 1 February-27 March 1999 for the purpose of discussing the alternative “success pathways” slowly materializing from the case studies. A keynote discussion paper will be transmitted for comment. During the final weeks, participants will be invited to submit draft “good practice” guidelines for review and comment.

C. IFAD’s Role

11. In February 1999, IFAD was invited by The Netherlands Minister for Agriculture, Nature, Management and Fisheries to participate actively in preparations for the conference. FAO has also approached the Fund to seek its assistance in organizing the seminar. To this end, IFAD has since been engaged in consultations with The Netherlands and FAO and in two steering committee sessions to map out strategies and priorities for the overall process.

12. As far as IFAD’s role is concerned, the preparatory process will comprise: (a) an in-house consultation and coordination mechanism with the involvement of the Programme Management Department (PD), the Office of Evaluation and Studies (OE) and the Economic Policy and Resource Strategy Department (ED); (b) participation in steering committee sessions to decide on major conceptual and strategic issues; (c) preparation, organization and follow-up of a partner countries seminar, with the participation of a selected number of partner countries/organizations in preparation for the conference; and (d) providing inputs to an issues paper and a stocktaking paper based on IFAD’s experience. The issues paper will formulate an inventory of best practices/elements based on IFAD case studies.

D. The Partner Countries Seminar

13. While the main conference will be open to all participating countries, the seminar (organized under the aegis of IFAD) will be attended by representatives of a small number of countries from all regions and partner organizations, e.g. World Bank, the Organisation for Economic Co-operation and Development, the International Federation of Agricultural Producers, Agrifood Network, the chairperson of CSD-8, the Consultative Group on International Agricultural Research and the Popular Coalition to Eradicate Hunger and Poverty.

14. The principal objectives of the seminar are to: (a) exchange experiences and knowledge from the different continents relating to the main themes (defined below) in a global context, as borne out by the operational experience of IFAD projects; (b) draw on lessons learned from the different continents and derive common conclusions and recommendations with a view to replicating successful and innovative approaches to sustainable rural development; and (c) obtain the commitment of a number of key countries to actively participate in, and reach consensus on, core themes in preparation for the conference.

15. Within the above-mentioned multiple functions of agriculture (strategic, economic, social and ecological), IFAD has both a clear-cut niche and a comparative advantage on issues such as household food security, land tenure (particularly civil-society practices in land reform) and drylands conservation and management and on cross-cutting questions of appropriate technology development and transfer. Discussions at the partner countries seminar are expected to focus on the critical role of sustainable land management and tenurial security in household food security and poverty alleviation to ensure the welfare of the poorest and the most vulnerable sections of the population, including women. Lessons of experience will be drawn from a number of successfully completed or ongoing IFAD projects in selected countries, for instance, from the evaluation of the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification. These countries might



include, *inter alia*: Burkina Faso, Cape Verde, Lesotho, Morocco (livestock) and Niger. Similar evaluations of IFAD projects in Asia and Latin America will be considered.

16. The seminar is expected to last two-to-three days. The first two days will be devoted to stocktaking of relevant experiences in a particular region and will involve the participation of programme/project leaders, and representatives of relevant ministries, national and regional NGOs, and selected international organizations. The last day will be devoted to reaching conclusions and preparing final recommendations for presentation to the conference.

IV. EXPECTED OUTPUTS/EXPECTED BENEFITS

17. The major outputs from IFAD's involvement are expected to be:

- **General support.** In line with its vision and mandate, IFAD's involvement will influence the direction of the conference, which will serve as a milestone in the preparatory process for CSD-8.
- **Learning process.** The Fund's involvement will open the way for a free and frank exchange of experiences in sustainable land management and the articulation of its views on the multi-functional character of agriculture. This learning process will ultimately shape IFAD's evolving strategies.
- **Partnership building.** IFAD's involvement will strengthen its partnership-building efforts.
- **Innovations.** By involving the Popular Coalition to Eradicate Hunger and Poverty, IFAD will demonstrate its efforts to foster collaboration; new ways of working between diverse stakeholders, including intergovernmental and civil-society organizations, and its vision of the need to foster the convergence of parallel efforts on the part of development organizations into truly synergistic linkages. This is consistent with IFAD's strategic emphasis on developing new ways of working for a changing global environment.

V. IMPLEMENTATION ARRANGEMENTS

18. The work involved in this assignment will be coordinated by IFAD's Economic Policy and Resource Strategy Department in collaboration with the International Agricultural Center (IAC) at Wageningen, which, through the Dutch Ministry of Agriculture, Nature Management and Fisheries, is also involved in the process. The IAC is part of the Wageningen research/university working group established by the Ministry to help prepare the conference, and is an independent, non-profit organization that provides training and advisory services in agriculture, rural development and the natural environment. The work will also build on IFAD and IAC's respective knowledge and information networks.

19. Consultancy services will be mobilized directly through IFAD for the purpose of: strategy formulation and priority-setting for deliberation at the conference; documentation of examples in sustainable land management based on IFAD's operational experience over 20 years; and the articulation of IFAD's thinking on the multi-functional character of agriculture in the light of that experience. The consultancy input will be shared between ED, PD and OE, and deployed before and during the conference. Cofinancing will be sought from other sources, particularly for the above-mentioned consultancy services. The TA grant will be limited to the period lasting up to the end of the conference. In line with its mandate and functions, a clear post-conference follow-up strategy, based exclusively on ED resources, will be pursued.

**VI. INDICATIVE COSTS AND FINANCING**

20. The proposed grant amounts to USD 245 000. This constitutes a modest contribution towards the overall cost of the conference, for which FAO has already mobilized a multi-donor trust fund. The proposed IFAD financing is composed of:

- (i) USD 145 000 to cover the convening of the partner countries seminar, tentatively scheduled for the last week of June 1999. This falls under IFAD's responsibility but will be undertaken under a contractual arrangement with the IAC; and
- (ii) USD 100 000 to cover part of the costs of participation by representatives of a number of least developed countries (LDCs) in the conference.

DETAILED COSTS AND FINANCING

Item	Cost (USD)
1. Contract with IAC	
Participants' costs (DSA, travel)	65 056
Conference facilities	9 055
IAC staff travel/DSA/fees	18 011
Local travel	2 588
Preparation and report writing	21 117
Workshop	22 357
Contingencies	6 816
Subtotal	145 000
2. Cost of participation by LDC representatives	100 000
Total	245 000

VII. RECOMMENDATION

21. I recommend that the Executive Board approve the proposed Technical Assistance Grant in terms of the following resolution:

RESOLVED: that the Fund, in order to finance, in part, IFAD Assistance to the Food and Agriculture Organization of the United Nations (FAO)/Netherlands Conference on the Multi-Functional Character of Agriculture and Land (Maastricht, 13-17 September 1999), for one year commencing in April 1999, shall make a grant not exceeding two hundred and forty five thousand United States dollars (USD 245 000) upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

Fawzi H. Al-Sultan
President



CONCLUSIONS FROM THE SCOPING PROCESS

1. Respondents stated: (a) a consensus on the true meaning of sustainable land use so as to improve both environmental quality in terms of soil fertility, water and air quality and social, economic and institutional status; (b) alternative land-use development pathways should emerge and evolve from previous ones; (c) environmental and social externalities should be quantified for inclusion in the cost assessment of each good practice.
2. Agricultural land use requires a vision based on the whole spectrum of functions and for a range of beneficiaries. Joint management by all stakeholders of agricultural programme planning, management and monitoring and evaluation was advocated. This in turn required empowerment through a strengthened institutional framework, particularly at the rural community, household, and individual levels. Participation also called for development of methodologies and tools to quantify trade-offs between conflicting goals.
3. Environmentally-sustainable land-use practices, an end-product of participatory action research, are by definition socially acceptable and foster social cohesion. Depending on social status and gender, the cost of such practices may be significant, even in comparison with the high net economic benefits. Adoption of practices such as *Low External Input Agriculture* should be preceded by a full assessment of their potentials and limitations.
4. The agricultural framework is bound by national economic policy. The effectiveness of policies is a direct function of the degree to which they reflect farmer interests. Legal title to the resource in question has far-reaching implications for its management. Insecurity of land tenure diverts attention to short-term gain at the cost of long-term sustainability-enhancing good practice.
5. Economic policy may be defined by government favouritism for large firms better able to generate foreign exchange. The impact of free trade on the food security of small family farms vis-à-vis efficient industrialized country farms was highlighted. Also stressed was the negative impact of industrial countries' price support coupled with similar support for developing-country urban areas with maximum voter concentration at the cost of rural neglect. Price policies not incorporating environmental costs produced a similar impact, not least local genetic erosion. There was little incentive in the end-product price to motivate farmers to adopt good practices. Internalization of environmental values in agricultural programme implementation was seen as an urgent necessity.
6. The adoption of good practices calls for streamlining of rural support services, namely, credit and inputs, including small-scale irrigation, extension, facilities for local food processing, packaging, distribution and marketing. Here, the private sector fulfills an essential role. However, blanket privatization was, by no means, seen as a panacea to inefficiency: commercialized extension services cater little to the needs of marginalized farmers who fail to secure credit to purchase high-quality inputs and technologies.
7. Another significant constraint to sustainability is illiteracy and lack of education, which may be ultimately traced to a weak extension system. The evolving information revolution is a potent tool for socially-powerful groups to exert control over their weaker counterparts. The importance of global information networks to the evolution of local knowledge and technology was underlined. There was a conspicuous lack of technology specifically catering to "very poor" farmers in marginal eco-systems or for sustainable management of renewable natural resources.